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# SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

# TABLES AND CHARTS

SEPTEMBER 1984

The September 1984 survey is the 192nd in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Both recent change charts and historical series charts include quarterly data before 1978, and 3 month averages starting in January of 1978. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

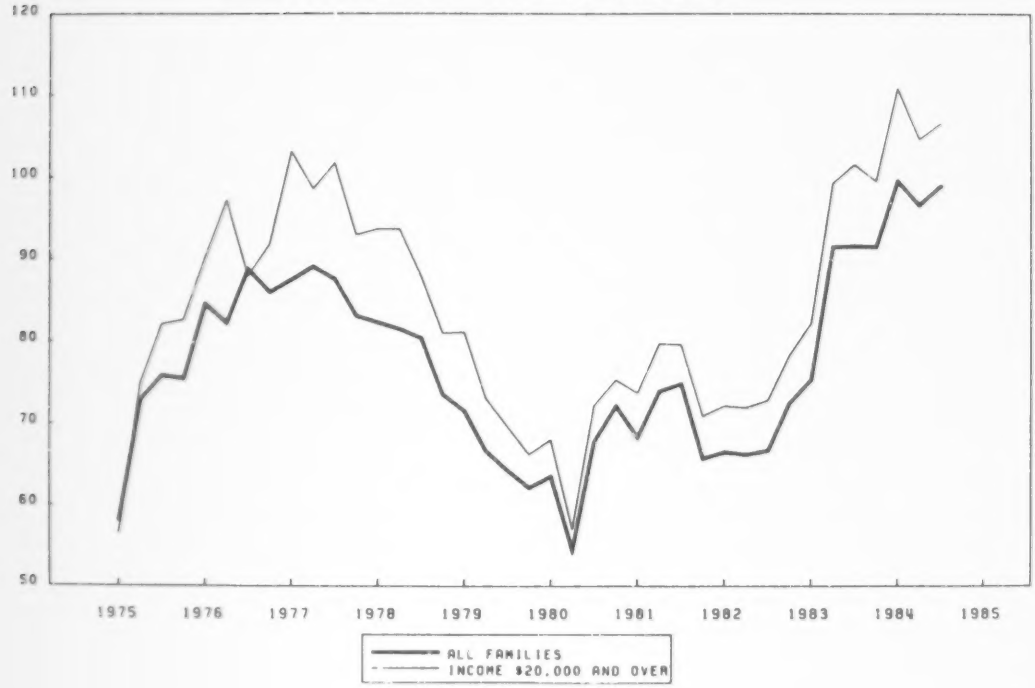



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

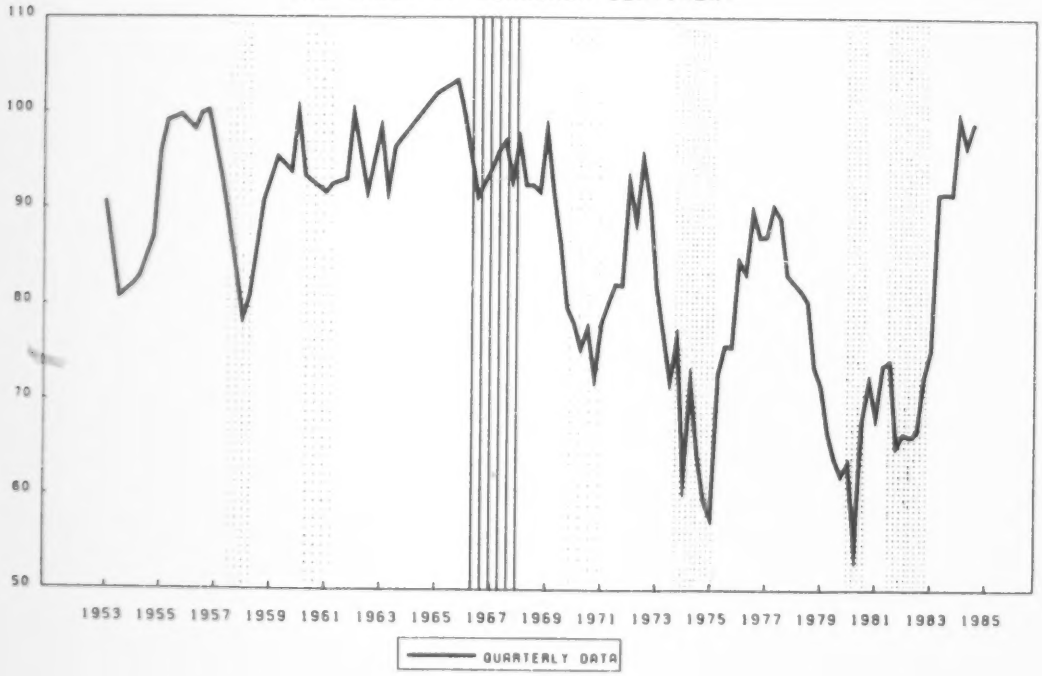


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | All families | Families with incomes over $20,000 | Families with incomes over $25,000 |
|---|---|---|---|
| July-Sep. 1977 | 87.6 | 101.7 | |
| Oct.-Dec. 1977 | 83.1 | 94.0 | 95.5 |
| Jan.-Mar. 1978 | 82.3 | 93.7 | 96.2 |
| Apr.-June 1978 | 81.5 | 91.4 | 92.5 |
| July-Sep. 1978 | 80.4 | 88.0 | 88.3 |
| Oct.-Dec. 1978 | 73.5 | 81.0 | 83.0 |
| Jan.-Mar. 1979 | 71.5 | 81.1 | 81.7 |
| Apr.-June 1979 | 66.6 | 73.0 | 75.5 |
| July-Sep. 1979 | 63.9 | 69.6 | 71.2 |
| Oct.-Dec. 1979 | 62.1 | 66.7 | 69.5 |
| Jan.-Mar. 1980 | 63.5 | 68.0 | 69.6 |
| Apr.-June 1980 | 54.4 | 57.0 | 58.1 |
| July-Sep. 1980 | 67.8 | 72.2 | 73.3 |
| Oct.-Dec. 1980 | 72.1 | 75.3 | 78.3 |
| Jan.-Mar. 1981 | 68.3 | 73.7 | 76.1 |
| Apr.-June 1981 | 73.9 | 79.7 | 82.0 |
| July-Sep. 1981 | 74.8 | 79.6 | 80.1 |
| Oct.-Dec. 1981 | 65.7 | 70.9 | 71.8 |
| Jan.-Mar. 1982 | 66.5 | 72.1 | 72.8 |
| Apr.-June 1982 | 66.2 | 71.9 | 73.6 |
| July-Sep. 1982 | 66.7 | 72.8 | 74.6 |
| Oct.-Dec. 1982 | 72.5 | 78.3 | 80.8 |
| Jan.-Mar. 1983 | 75.3 | 82.2 | 83.0 |
| Apr.-June 1983 | 91.5 | 99.3 | 100.8 |
| July-Sep. 1983 | 91.6 | 101.5 | 104.1 |
| Oct.-Dec. 1983 | 91.5 | 99.5 | 101.7 |
| Jan.-Mar. 1984 | 99.5 | 110.8 | 113.2 |
| Apr.-June 1984 | 96.6 | 104.6 | 105.7 |
| July-Sep. 1984 | 98.9 | 106.5 | 107.9 |

CHART 2A - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT WITHIN REGIONS

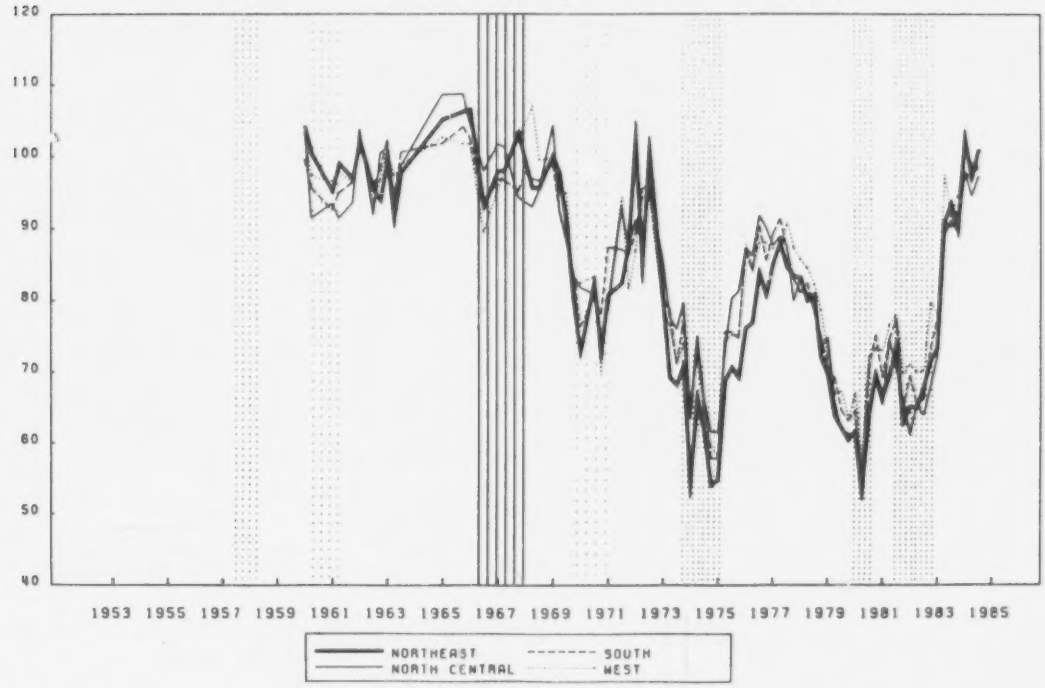
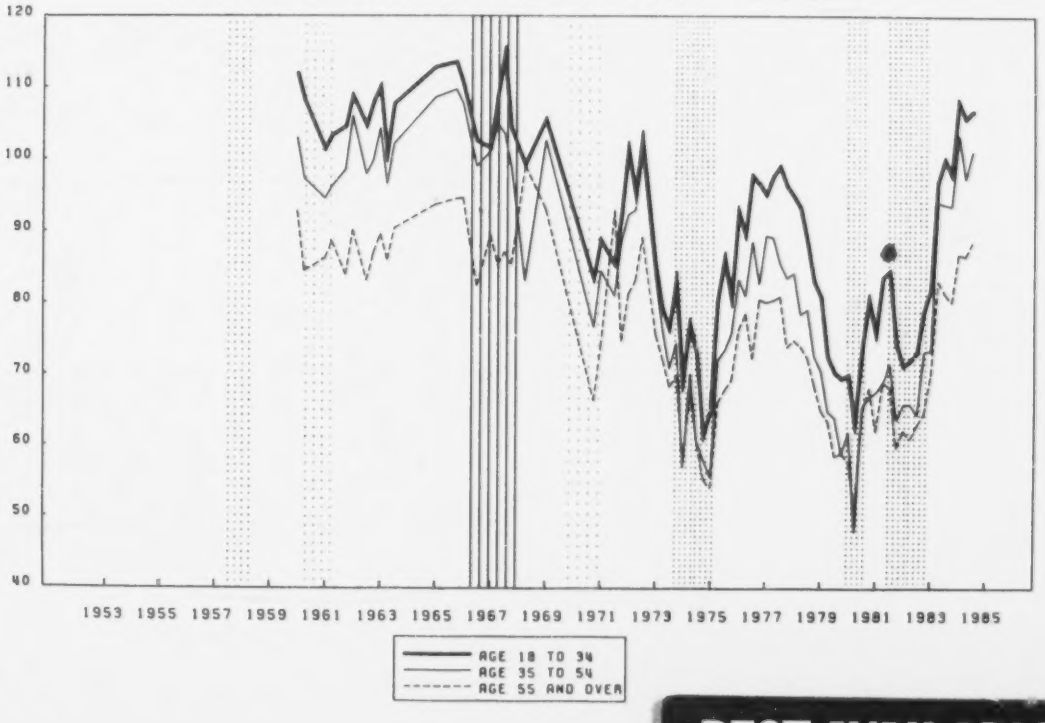



CHART 2B - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT WITHIN AGE GROUPS




BEST AVAILABLE COPY

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

| DATE OF SURVEY | CENSUS REGION | | | | AGE OF RESPONDENT | | |
|---|---|---|---|---|---|---|---|
| | North East | North Central | South | West | 18-34 | 35-54 | 55+ |
| July-Sep. 1977 | 84.7 | 87.6 | 87.2 | 91.0 | 99.3 | 85.5 | 80.9 |
| Oct.-Dec. 1977 | 83.4 | 80.0 | 83.1 | 87.2 | 96.3 | 83.5 | 73.8 |
| Jan.-Mar. 1978 | 81.9 | 81.4 | 80.9 | 85.8 | 95.0 | 81.9 | 73.6 |
| Apr.-June 1978 | 79.6 | 80.7 | 81.8 | 84.4 | 92.9 | 78.1 | 73.6 |
| July-Sep. 1978 | 81.4 | 78.8 | 78.9 | 84.3 | 88.9 | 79.8 | 73.1 |
| Oct.-Dec. 1978 | 71.3 | 72.9 | 74.0 | 77.0 | 81.6 | 71.3 | 67.8 |
| Jan.-Mar. 1979 | 69.0 | 74.5 | 70.3 | 71.8 | 80.5 | 70.0 | 64.7 |
| Apr.-June 1979 | 63.3 | 65.7 | 69.3 | 66.9 | 72.4 | 64.9 | 63.3 |
| July-Sep. 1979 | 62.1 | 62.1 | 64.4 | 67.4 | 70.4 | 63.9 | 58.5 |
| Oct.-Dec. 1979 | 60.3 | 61.3 | 63.2 | 63.3 | 69.5 | 58.7 | 58.9 |
| Jan.-Mar. 1980 | 61.6 | 61.1 | 64.6 | 67.1 | 70.4 | 61.7 | 57.6 |
| Apr.-June 1980 | 53.3 | 55.6 | 52.1 | 57.3 | 63.1 | 47.9 | 51.1 |
| July-Sep. 1980 | 63.7 | 64.3 | 70.3 | 72.1 | 73.5 | 65.4 | 64.7 |
| Oct.-Dec. 1980 | 69.7 | 68.8 | 75.2 | 73.2 | 80.5 | 66.8 | 68.1 |
| Jan.-Mar. 1981 | 66.4 | 65.4 | 69.2 | 73.0 | 75.7 | 67.5 | 62.0 |
| Apr.-June 1981 | 69.3 | 74.4 | 74.6 | 76.7 | 83.6 | 68.8 | 68.8 |
| July-Sep. 1981 | 73.7 | 70.7 | 77.4 | 78.0 | 84.5 | 71.5 | 68.2 |
| Oct.-Dec. 1981 | 62.9 | 66.0 | 64.8 | 69.8 | 74.3 | 63.6 | 59.7 |
| Jan.-Mar. 1982 | 65.1 | 61.2 | 69.5 | 71.1 | 71.2 | 65.7 | 62.1 |
| Apr.-June 1982 | 65.0 | 65.4 | 65.5 | 70.0 | 71.9 | 65.8 | 60.9 |
| July-Sep. 1982 | 67.8 | 63.9 | 66.2 | 70.2 | 73.0 | 64.3 | 62.9 |
| Oct.-Dec. 1982 | 71.5 | 68.0 | 73.3 | 79.7 | 78.9 | 73.2 | 64.5 |
| Jan.-Mar. 1983 | 73.3 | 72.2 | 77.4 | 78.1 | 81.9 | 73.3 | 70.0 |
| Apr.-June 1983 | 90.8 | 89.1 | 91.0 | 97.5 | 96.9 | 94.0 | 83.1 |
| July-Sep. 1983 | 93.5 | 91.2 | 90.2 | 91.6 | 100.0 | 93.7 | 81.3 |
| Oct.-Dec. 1983 | 89.7 | 89.4 | 92.7 | 94.7 | 97.9 | 95.3 | 80.1 |
| Jan.-Mar. 1984 | 102.6 | 97.9 | 97.7 | 100.7 | 108.0 | 103.4 | 86.8 |
| Apr.-June 1984 | 97.1 | 94.6 | 96.6 | 99.0 | 105.7 | 97.3 | 86.5 |
| July-Sep. 1984 | 100.8 | 97.3 | 99.2 | 98.2 | 106.7 | 101.1 | 88.5 |

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

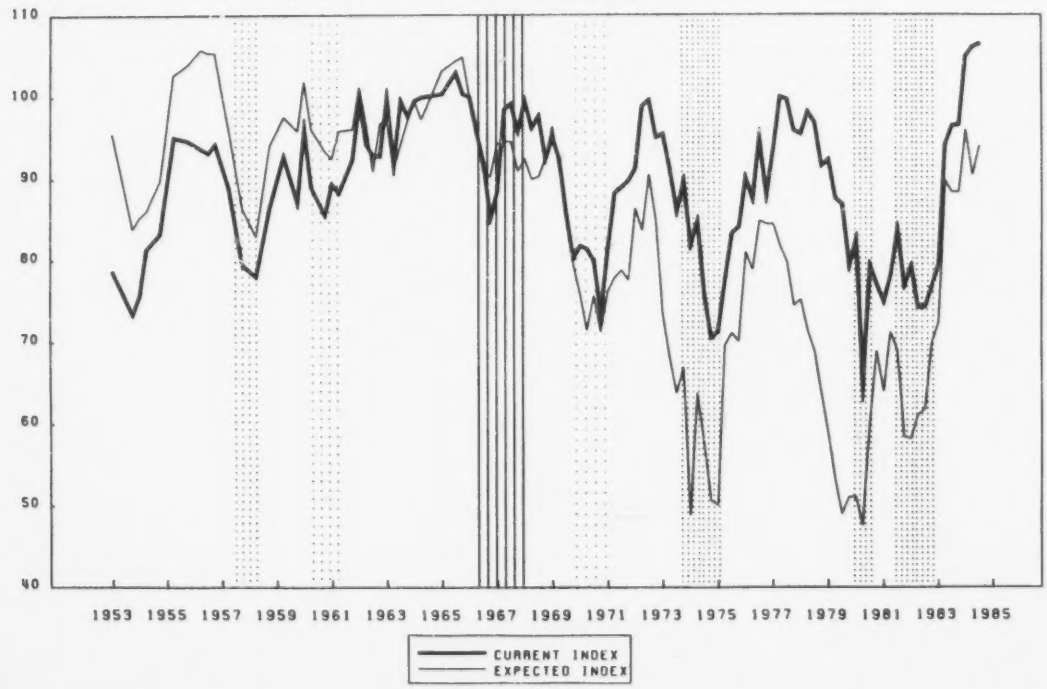


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | INDEX COMPONENTS + | | | | | | |
|---|---|---|---|---|---|---|---|
| | Personal finances | | Business conditions | | | | |
| | Current (1) | Expected (2) | 12 months (3) | 5 years (4) | Buying conds. (5) | Current Index (1,5) | Expected Index (2,3,4) |
| July-Sep. 1977 | 108 | 116 | 116 | 86 | 148 | 99.5 | 80.0 |
| Oct.-Dec. 1977 | 107 | 107 | 104 | 85 | 139 | 96.0 | 74.7 |
| Jan.-Mar. 1978 | 104 | 110 | 102 | 82 | 140 | 94.9 | 74.1 |
| Apr.-June 1978 | 105 | 108 | 98 | 74 | 147 | 98.2 | 70.7 |
| July-Sep. 1978 | 106 | 111 | 94 | 70 | 144 | 97.2 | 69.6 |
| Oct.-Dec. 1978 | 99 | 102 | 79 | 66 | 132 | 90.2 | 62.8 |
| Jan.-Mar. 1979 | 98 | 99 | 68 | 61 | 138 | 92.2 | 69.1 |
| Apr.-June 1979 | 89 | 92 | 58 | 57 | 135 | 87.6 | 63.2 |
| July-Sep. 1979 | 92 | 96 | 48 | 46 | 131 | 87.0 | 49.0 |
| Oct.-Dec. 1979 | 84 | 98 | 50 | 51 | 119 | 79.4 | 51.0 |
| Jan.-Mar. 1980 | 86 | 99 | 50 | 49 | 126 | 82.6 | 51.1 |
| Apr.-June 1980 | 77 | 98 | 35 | 51 | 88 | 65.0 | 47.6 |
| July-Sep. 1980 | 91 | 111 | 64 | 62 | 111 | 79.4 | 60.3 |
| Oct.-Dec. 1980 | 83 | 109 | 81 | 83 | 113 | 77.0 | 68.9 |
| Jan.-Mar. 1981 | 82 | 106 | 70 | 75 | 109 | 74.9 | 64.0 |
| Apr.-June 1981 | 88 | 114 | 89 | 79 | 112 | 78.2 | 71.2 |
| July-Sep. 1981 | 98 | 115 | 84 | 74 | 117 | 83.8 | 69.0 |
| Oct.-Dec. 1981 | 91 | 110 | 59 | 61 | 106 | 76.9 | 58.4 |
| Jan.-Mar. 1982 | 91 | 111 | 55 | 65 | 114 | 79.3 | 58.2 |
| Apr.-June 1982 | 91 | 113 | 61 | 69 | 100 | 74.2 | 61.1 |
| July-Sep. 1982 | 89 | 113 | 64 | 69 | 102 | 74.3 | 61.8 |
| Oct.-Dec. 1982 | 90 | 119 | 77 | 83 | 107 | 76.7 | 69.8 |
| Jan.-Mar. 1983 | 91 | 119 | 92 | 78 | 114 | 79.6 | 72.4 |
| Apr.-June 1983 | 106 | 132 | 131 | 99 | 137 | 94.2 | 89.8 |
| July-Sep. 1983 | 109 | 125 | 130 | 100 | 141 | 96.5 | 88.4 |
| Oct.-Dec. 1983 | 113 | 125 | 131 | 99 | 137 | 96.6 | 88.3 |
| Jan.-Mar. 1984 | 119 | 131 | 146 | 109 | 153 | 104.9 | 96.0 |
| Apr.-June 1984 | 121 | 126 | 133 | 106 | 154 | 106.0 | 90.5 |
| July-Sep. 1984 | 122 | 128 | 137 | 113 | 153 | 106.4 | 94.0 |

(1) : See Table 4.
(2) : See Table 6.
(3) : See Table 18.
(4) : See Table 19.
(5) : See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

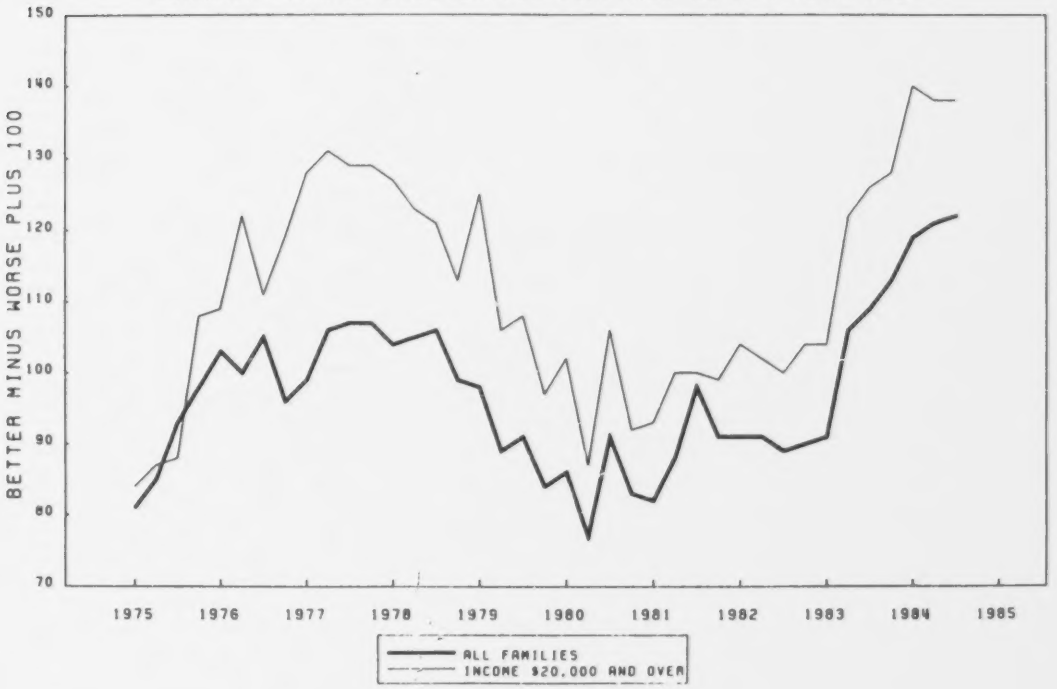



CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

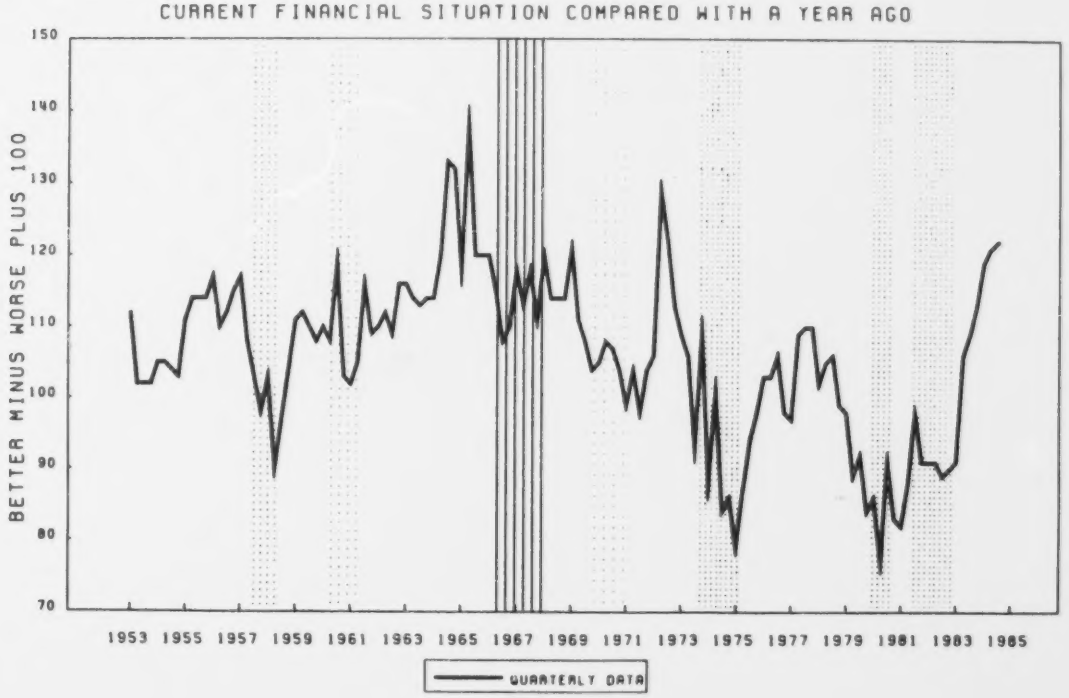


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| BETTER OFF | 33% | 31% | 31% | 30% | 30% | 31% | 30% | 37% | 38% | 40% | 45% | 45% | 45% |
| SAME | 31 | 29 | 28 | 32 | 28 | 28 | 31 | 32 | 33 | 33 | 30 | 31 | 32 |
| WORSE OFF | 35 | 39 | 40 | 38 | 41 | 41 | 39 | 31 | 29 | 27 | 25 | 23 | 23 |
| DK,NA | 1 | 1 | 1 | * | 1 | * | * | * | * | * | * | 1 | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| BETTER OFF | 36% | 34% | 38% | 37% | 36% | 40% | 37% | 47% | 48% | 48% | 57% | 55% | 54% |
| SAME | 28 | 31 | 27 | 29 | 29 | 25 | 30 | 29 | 29 | 32 | 26 | 28 | 30 |
| WORSE OFF | 36 | 35 | 34 | 34 | 35 | 35 | 33 | 24 | 23 | 20 | 17 | 17 | 16 |
| DK,NA | * | * | 1 | * | * | * | * | * | * | * | * | * | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

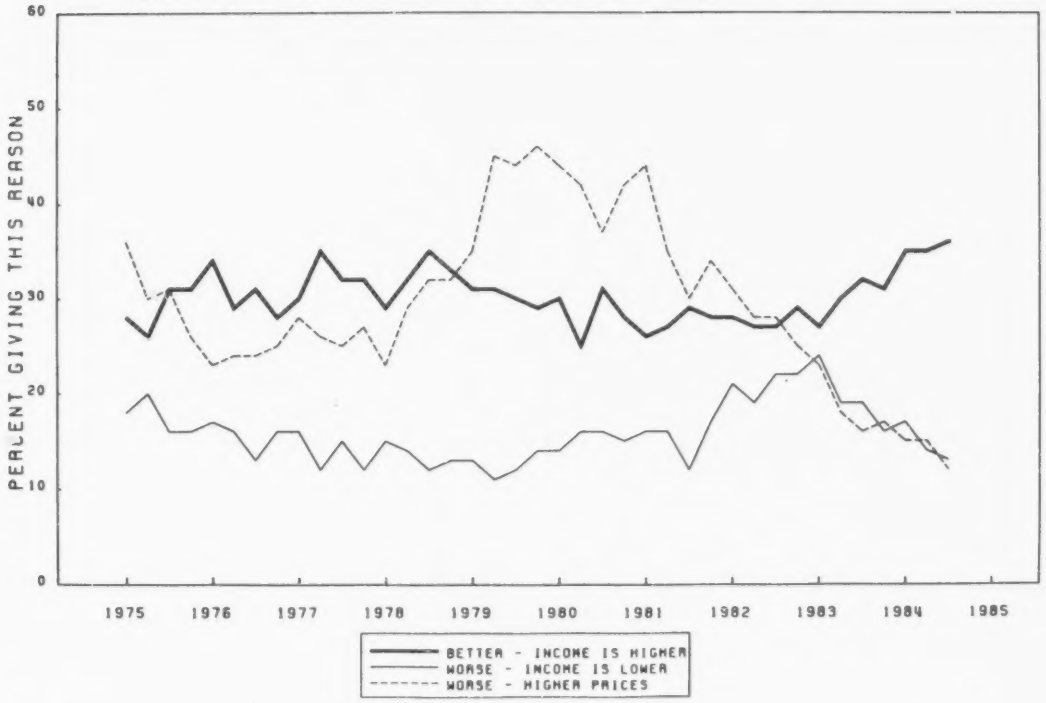



CHART 5 - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

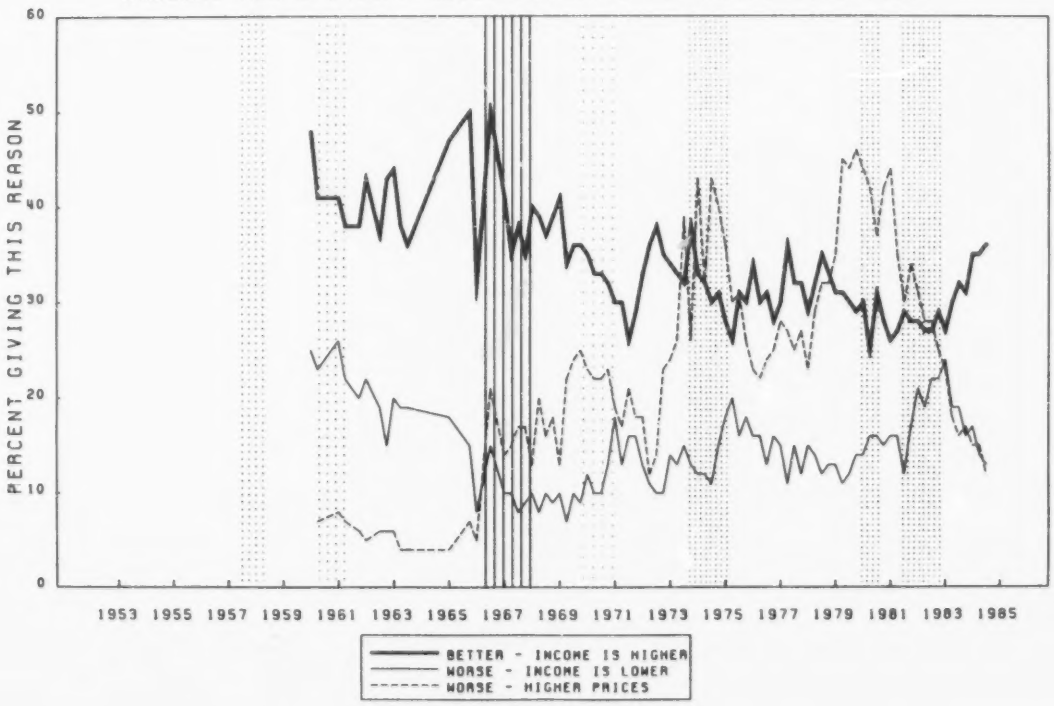


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 29% | 28% | 28% | 27% | 27% | 29% | 27% | 30% | 32% | 31% | 35% | 35% | 36% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 12 | 17 | 21 | 19 | 22 | 22 | 24 | 19 | 19 | 16 | 17 | 14 | 13 |
| Higher prices | 30 | 34 | 31 | 28 | 28 | 25 | 23 | 18 | 16 | 17 | 15 | 15 | 12 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 37% | 35% | 36% | 35% | 33% | 37% | 34% | 38% | 43% | 38% | 46% | 43% | 45% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 12 | 14 | 17 | 19 | 22 | 21 | 22 | 17 | 17 | 13 | 12 | 12 | 10 |
| Higher prices | 32 | 33 | 29 | 26 | 24 | 23 | 20 | 15 | 12 | 14 | 10 | 11 | 10 |

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES

EXPECTED CHANGE IN FINANCIAL SITUATION

CHART 6 - HISTORICAL SERIES

EXPECTED CHANGE IN FINANCIAL SITUATION

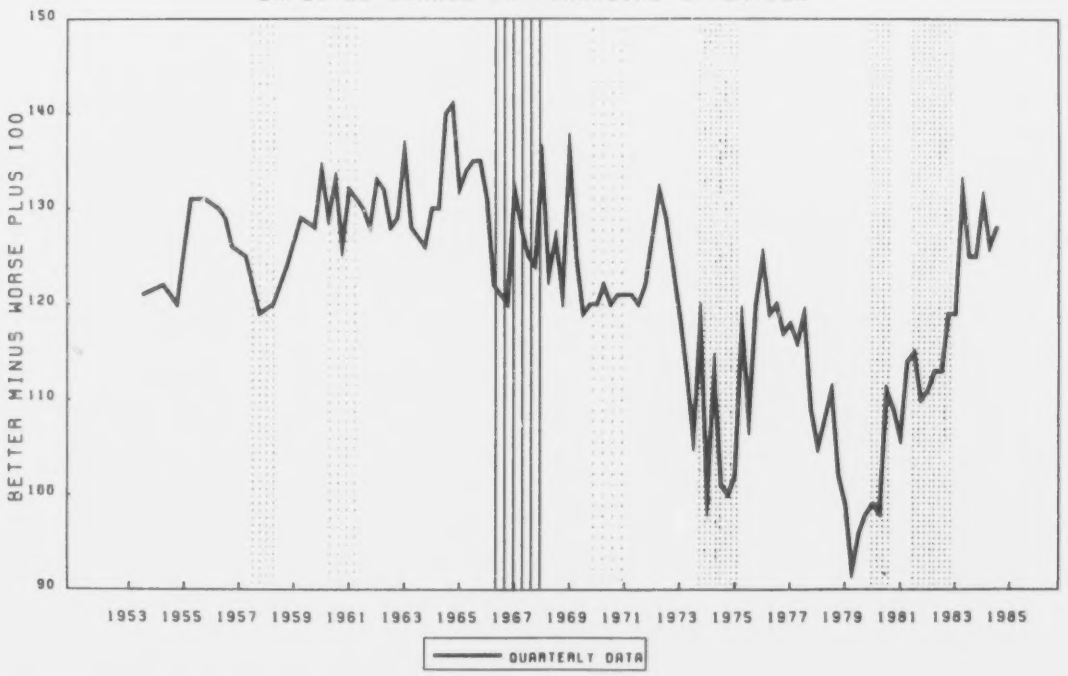


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| BETTER OFF | 31% | 29% | 30% | 32% | 31% | 35% | 35% | 40% | 36% | 37% | 41% | 37% | 37% |
| SAME | 48 | 48 | 47 | 46 | 48 | 45 | 46 | 49 | 49 | 48 | 46 | 49 | 50 |
| WORSE OFF | 17 | 20 | 19 | 18 | 18 | 16 | 16 | 8 | 11 | 11 | 10 | 12 | 9 |
| DK,NA | 4 | 3 | 4 | 4 | 3 | 4 | 3 | 3 | 4 | 4 | 3 | 2 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| BETTER OFF | 35% | 31% | 36% | 34% | 37% | 39% | 40% | 43% | 44% | 41% | 48% | 42% | 43% |
| SAME | 48 | 51 | 46 | 47 | 47 | 45 | 44 | 47 | 46 | 48 | 44 | 47 | 47 |
| WORSE OFF | 15 | 15 | 16 | 17 | 14 | 14 | 14 | 8 | 7 | 9 | 7 | 10 | 8 |
| DK,NA | 2 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 2 | 1 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES

TREND IN PERSONAL FINANCIAL SITUATION

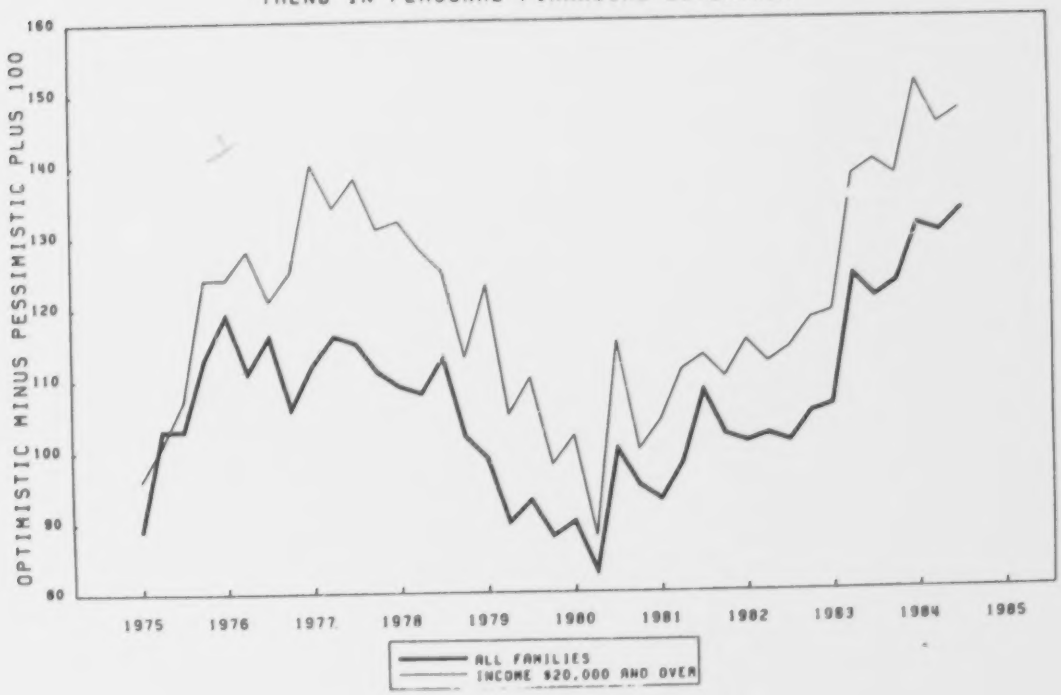



CHART 7 - HISTORICAL SERIES

TREND IN PERSONAL FINANCIAL SITUATION

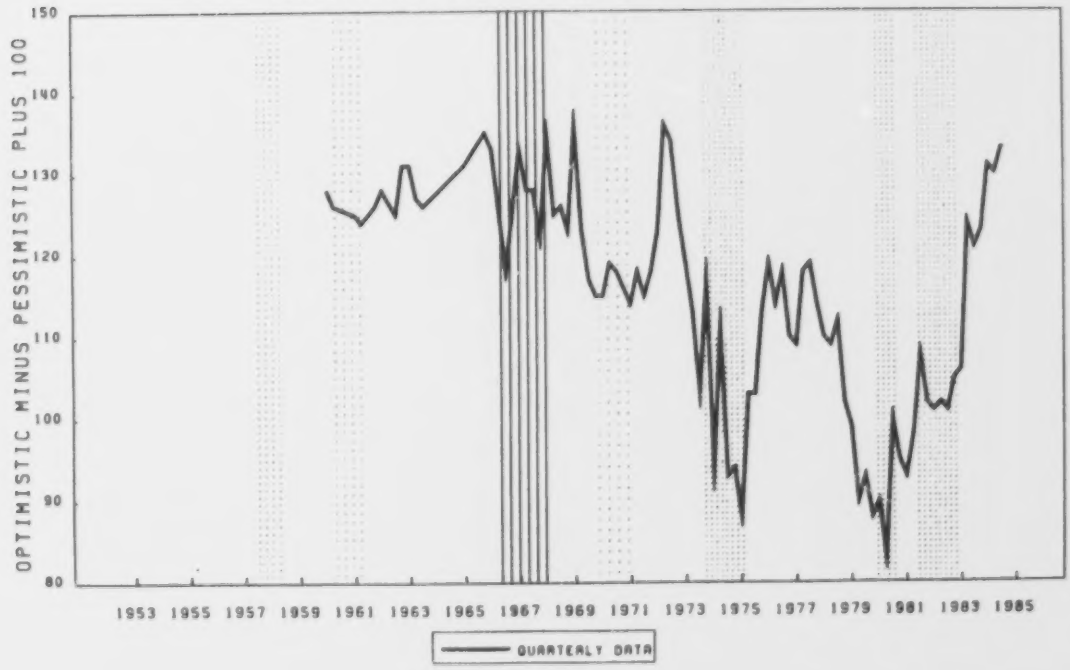


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| PERSONAL FINANCIAL PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 15% | 13% | 14% | 13% | 15% | 16% | 15% | 18% | 19% | 20% | 24% | 22% | 24% |
| Intermittent increase (b) | 22 | 22 | 20 | 21 | 19 | 20 | 21 | 25 | 25 | 24 | 26 | 26 | 27 |
| Remain unchanged (c) | 18 | 16 | 16 | 17 | 17 | 15 | 16 | 19 | 19 | 20 | 16 | 20 | 19 |
| Intermittent decline (d) | 19 | 20 | 22 | 22 | 22 | 20 | 21 | 17 | 17 | 16 | 16 | 13 | 14 |
| Continuous decline (e) | 10 | 13 | 12 | 11 | 12 | 11 | 9 | 4 | 6 | 6 | 4 | 5 | 5 |
| Mixed change (f) | 11 | 13 | 12 | 12 | 11 | 14 | 14 | 13 | 10 | 10 | 10 | 12 | 7 |
| DK,NA | 5 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 2 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| PERSONAL FINANCIAL PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 16% | 15% | 18% | 16% | 19% | 20% | 19% | 23% | 25% | 25% | 32% | 27% | 29% |
| Intermittent increase (b) | 25 | 24 | 24 | 25 | 23 | 24 | 25 | 30 | 31 | 28 | 31 | 31 | 31 |
| Remain unchanged (c) | 15 | 18 | 15 | 16 | 16 | 14 | 15 | 16 | 16 | 20 | 15 | 17 | 17 |
| Intermittent decline (d) | 19 | 20 | 19 | 20 | 19 | 17 | 18 | 13 | 12 | 11 | 10 | 10 | 10 |
| Continuous decline (e) | 10 | 9 | 9 | 9 | 9 | 9 | 7 | 4 | 3 | 4 | 2 | 3 | 3 |
| Mixed change (f) | 13 | 11 | 13 | 12 | 12 | 13 | 14 | 12 | 10 | 10 | 9 | 11 | 8 |
| DK,NA | 2 | 3 | 2 | 2 | 2 | 3 | 2 | 2 | 3 | 2 | 1 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

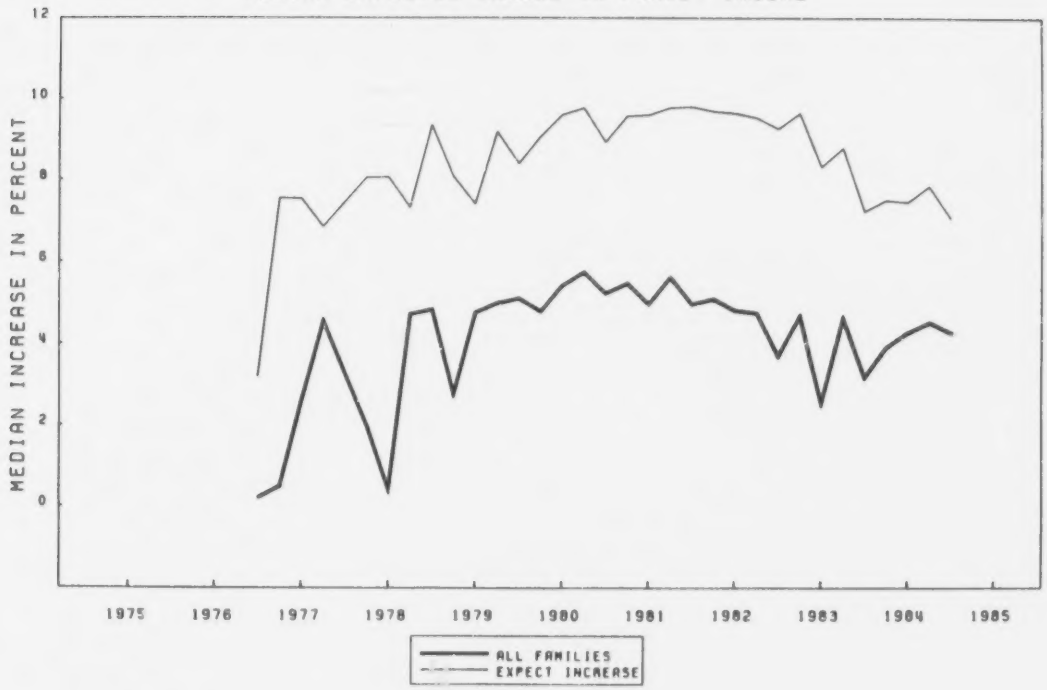


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 6% | 6% | 6% | 6% | 8% | 6% | 8% | 9% | 11% | 12% | 14% | 11% | 15% |
| 5% | 8 | 10 | 9 | 10 | 8 | 9 | 9 | 11 | 11 | 10 | 11 | 10 | 11 |
| 6-9% | 10 | 10 | 11 | 11 | 10 | 9 | 9 | 11 | 8 | 9 | 9 | 9 | 10 |
| 10-24% | 23 | 23 | 21 | 19 | 18 | 20 | 15 | 18 | 15 | 16 | 17 | 19 | 17 |
| 25% or more | 7 | 7 | 7 | 7 | 7 | 8 | 7 | 8 | 8 | 7 | 8 | 8 | 7 |
| DK how much up | 6 | 5 | 5 | 6 | 5 | 6 | 5 | 4 | 5 | 6 | 5 | 5 | 4 |
| EXPECT SAME | 26 | 23 | 24 | 23 | 27 | 25 | 28 | 26 | 27 | 25 | 25 | 24 | 23 |
| EXPECT DOWN | 11 | 14 | 15 | 17 | 15 | 15 | 17 | 12 | 13 | 12 | 9 | 12 | 11 |
| DK,NA | 3 | 2 | 2 | 1 | 2 | 2 | 2 | 1 | 2 | 3 | 2 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 6% | 5% | 7% | 7% | 9% | 7% | 9% | 9% | 11% | 12% | 15% | 13% | 15% |
| 5% | 11 | 11 | 10 | 11 | 9 | 11 | 11 | 13 | 14 | 12 | 14 | 13 | 14 |
| 6-9% | 15 | 13 | 14 | 12 | 13 | 12 | 12 | 14 | 12 | 13 | 12 | 13 | 13 |
| 10-24% | 30 | 29 | 27 | 25 | 24 | 25 | 18 | 23 | 19 | 21 | 23 | 22 | 20 |
| 25% or more | 7 | 6 | 6 | 5 | 6 | 7 | 7 | 5 | 8 | 5 | 8 | 6 | 6 |
| DK how much up | 3 | 6 | 4 | 5 | 3 | 5 | 5 | 3 | 4 | 4 | 4 | 3 | 3 |
| EXPECT SAME | 16 | 16 | 16 | 18 | 20 | 18 | 21 | 20 | 19 | 21 | 16 | 18 | 19 |
| EXPECT DOWN | 11 | 13 | 15 | 16 | 14 | 14 | 16 | 12 | 12 | 11 | 8 | 11 | 9 |
| DK,NA | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | * | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

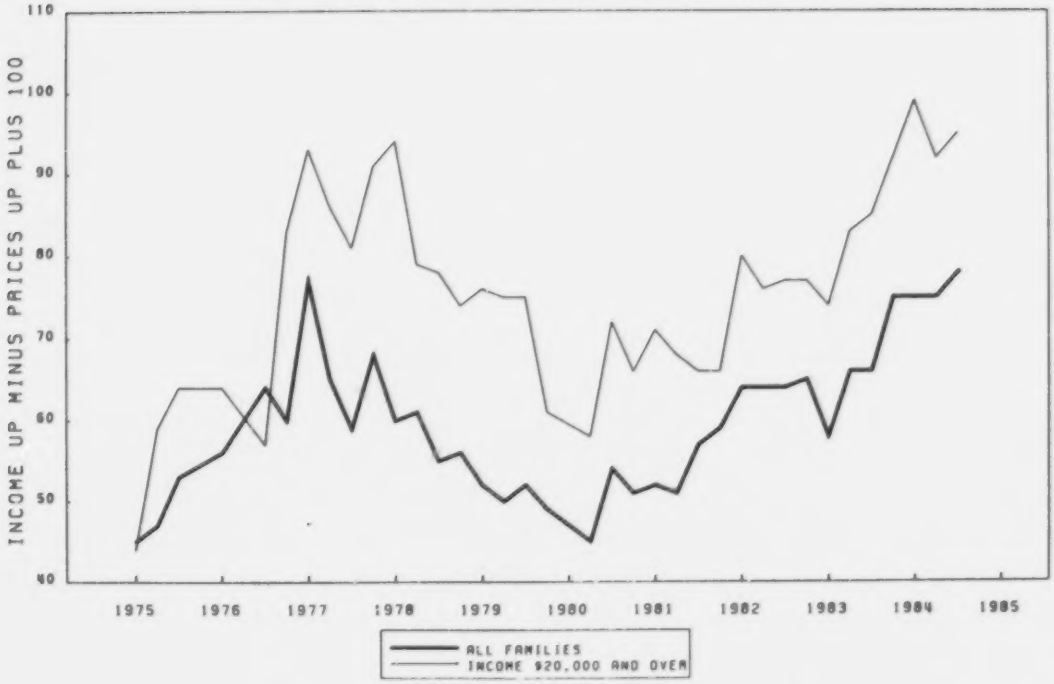


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| INCOME UP MORE | 13% | 15% | 16% | 16% | 16% | 16% | 15% | 17% | 17% | 22% | 22% | 20% | 22% |
| INCOME UP SAME | 28 | 29 | 30 | 31 | 30 | 32 | 27 | 31 | 29 | 31 | 30 | 33 | 34 |
| PRICES UP MORE | 57 | 55 | 52 | 52 | 52 | 51 | 56 | 50 | 52 | 46 | 46 | 45 | 43 |
| DK,NA | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 2 | 2 | 1 | 2 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| INCOME UP MORE | 17% | 16% | 24% | 22% | 22% | 21% | 21% | 24% | 26% | 29% | 33% | 27% | 28% |
| INCOME UP SAME | 31 | 33 | 32 | 33 | 32 | 34 | 31 | 35 | 33 | 33 | 32 | 36 | 38 |
| PRICES UP MORE | 51 | 50 | 44 | 45 | 45 | 44 | 47 | 41 | 41 | 37 | 34 | 36 | 33 |
| DK,NA | 1 | 1 | * | * | 1 | 1 | 1 | * | * | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE NEXT YEAR

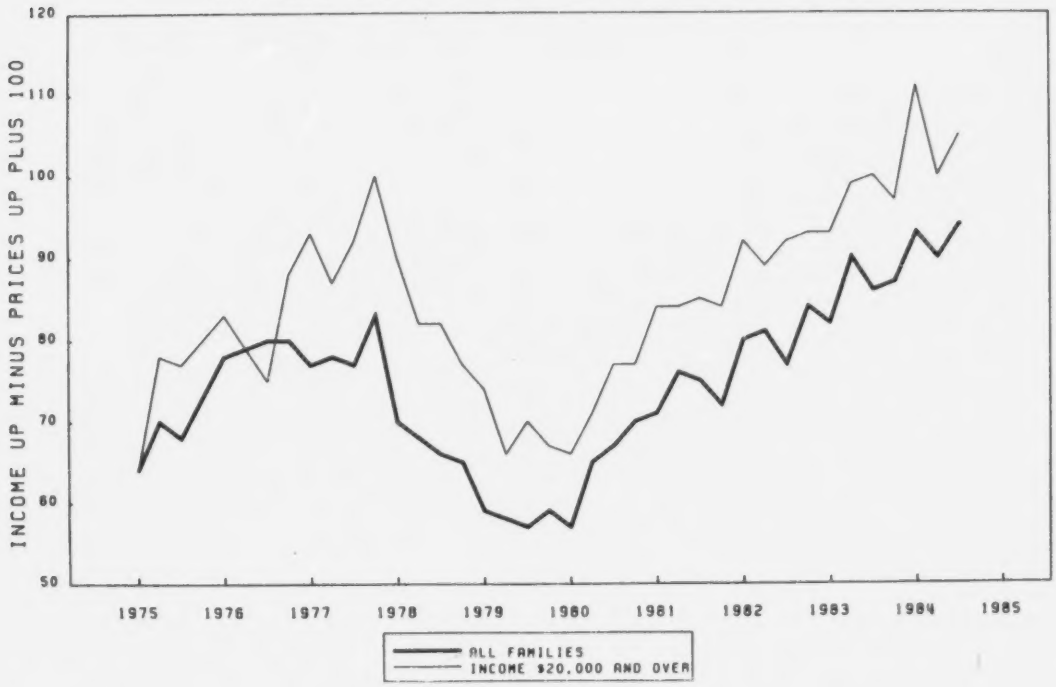


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| INCOME UP MORE | 15% | 15% | 18% | 18% | 18% | 19% | 19% | 21% | 20% | 20% | 23% | 22% | 23% |
| INCOME UP SAME | 41 | 40 | 42 | 42 | 39 | 43 | 42 | 45 | 43 | 43 | 45 | 44 | 43 |
| PRICES UP MORE | 40 | 42 | 37 | 37 | 40 | 35 | 36 | 31 | 34 | 34 | 30 | 32 | 30 |
| DK,NA | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| INCOME UP MORE | 20% | 19% | 24% | 21% | 23% | 24% | 24% | 25% | 26% | 25% | 33% | 26% | 29% |
| INCOME UP SAME | 43 | 43 | 44 | 45 | 43 | 43 | 42 | 47 | 46 | 46 | 44 | 46 | 46 |
| PRICES UP MORE | 35 | 36 | 31 | 33 | 32 | 31 | 31 | 26 | 27 | 28 | 22 | 27 | 24 |
| DK,NA | 2 | 2 | 1 | 1 | 2 | 2 | 3 | 2 | 1 | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART II - RECENT CHANGES

TREND IN INCOME AND PRICE COMPARISON

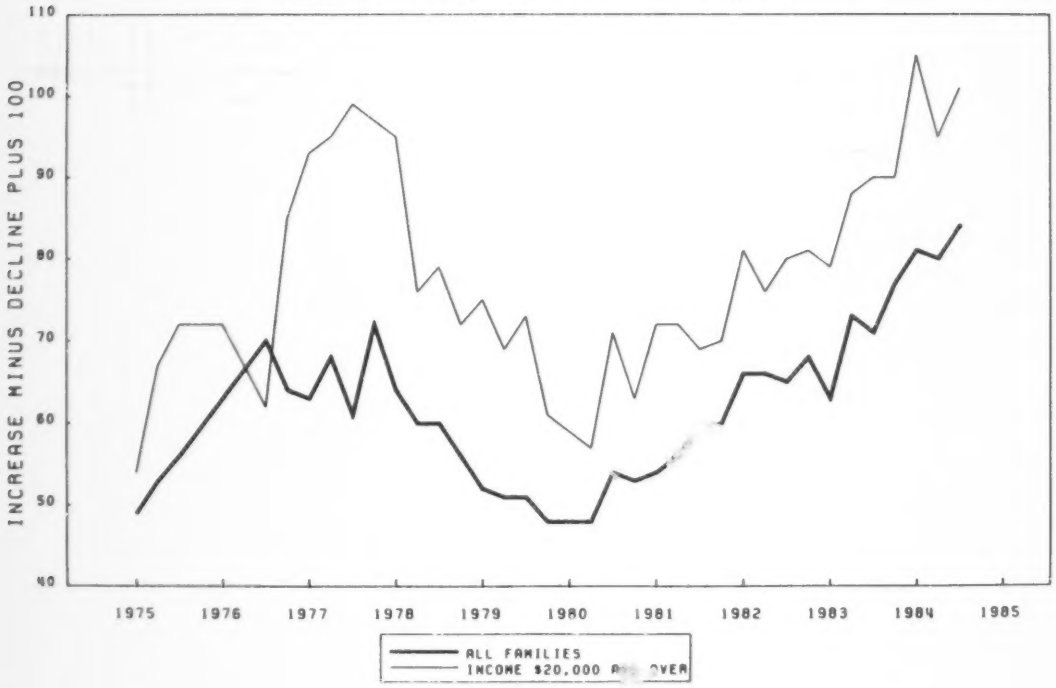


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| REAL INCOME PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 7% | 6% | 8% | 9% | 8% | 9% | 9% | 10% | 10% | 12% | 13% | 10% | 11% |
| Intermittent increase (b) | 9 | 10 | 10 | 10 | 10 | 11 | 8 | 11 | 12 | 12 | 13 | 15 | 15 |
| Remain unchanged (c) | 18 | 18 | 20 | 19 | 19 | 19 | 17 | 20 | 18 | 19 | 20 | 20 | 21 |
| Intermittent decline (d) | 23 | 23 | 23 | 24 | 22 | 24 | 26 | 23 | 23 | 22 | 21 | 21 | 21 |
| Continuous decline (e) | 33 | 33 | 29 | 28 | 32 | 26 | 28 | 25 | 27 | 25 | 23 | 24 | 22 |
| Mixed change (f) | 6 | 7 | 7 | 7 | 5 | 7 | 8 | 8 | 7 | 7 | 7 | 7 | 6 |
| DK,NA | 4 | 3 | 3 | 3 | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| REAL INCOME PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 11% | 8% | 13% | 12% | 12% | 12% | 13% | 13% | 14% | 16% | 20% | 15% | 16% |
| Intermittent increase (b) | 10 | 13 | 13 | 11 | 13 | 14 | 12 | 14 | 17 | 14 | 17 | 18 | 18 |
| Remain unchanged (c) | 20 | 20 | 20 | 21 | 20 | 20 | 18 | 23 | 21 | 21 | 21 | 21 | 25 |
| Intermittent decline (d) | 23 | 22 | 23 | 24 | 21 | 22 | 23 | 21 | 21 | 23 | 17 | 19 | 18 |
| Continuous decline (e) | 28 | 29 | 22 | 23 | 24 | 22 | 23 | 19 | 19 | 18 | 16 | 18 | 16 |
| Mixed change (f) | 7 | 6 | 8 | 8 | 8 | 8 | 8 | 8 | 7 | 6 | 8 | 8 | 6 |
| DK,NA | 1 | 2 | 1 | 1 | 2 | 2 | 3 | 2 | 1 | 2 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

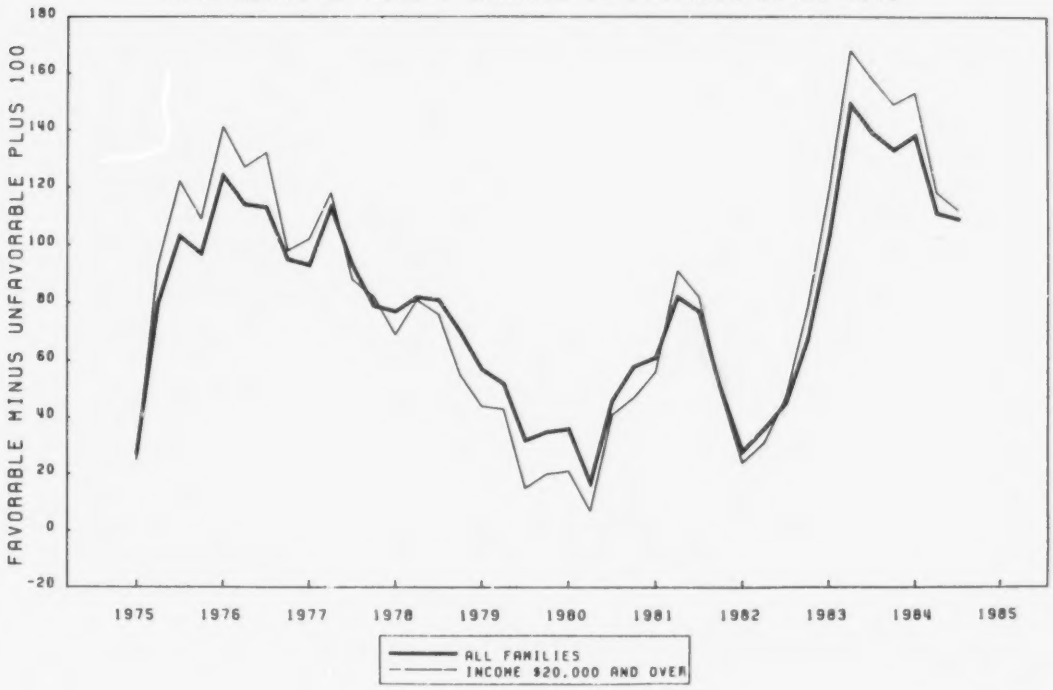



CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

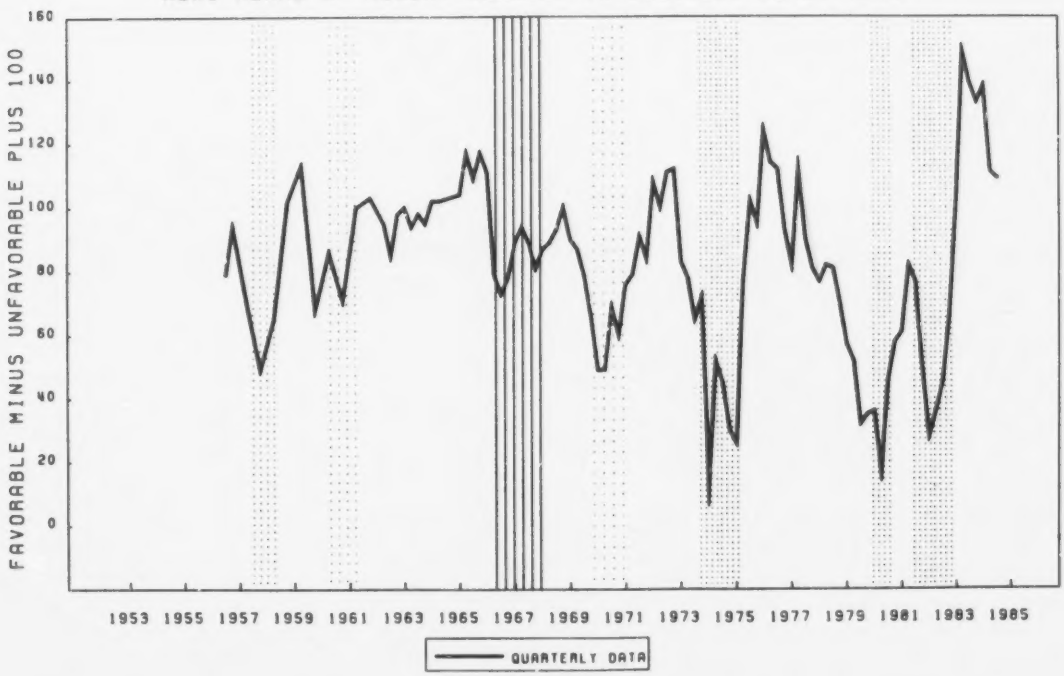


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| FAVORABLE NEWS | 26% | 20% | 20% | 23% | 29% | 39% | 58% | 80% | 69% | 62% | 67% | 49% | 48% |
| UNFAVORABLE NEWS | 49 | 70 | 92 | 88 | 85 | 73 | 55 | 31 | 30 | 28 | 30 | 38 | 39 |
| NO MENTIONS | 49 | 42 | 29 | 30 | 28 | 28 | 29 | 30 | 37 | 41 | 38 | 43 | 42 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| FAVORABLE NEWS | 35% | 22% | 26% | 29% | 38% | 49% | 73% | 96% | 86% | 79% | 81% | 57% | 55% |
| UNFAVORABLE NEWS | 54 | 72 | 102 | 98 | 91 | 71 | 54 | 28 | 28 | 30 | 28 | 40 | 43 |
| NO MENTIONS | 41 | 38 | 22 | 22 | 21 | 24 | 23 | 23 | 29 | 31 | 30 | 37 | 36 |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

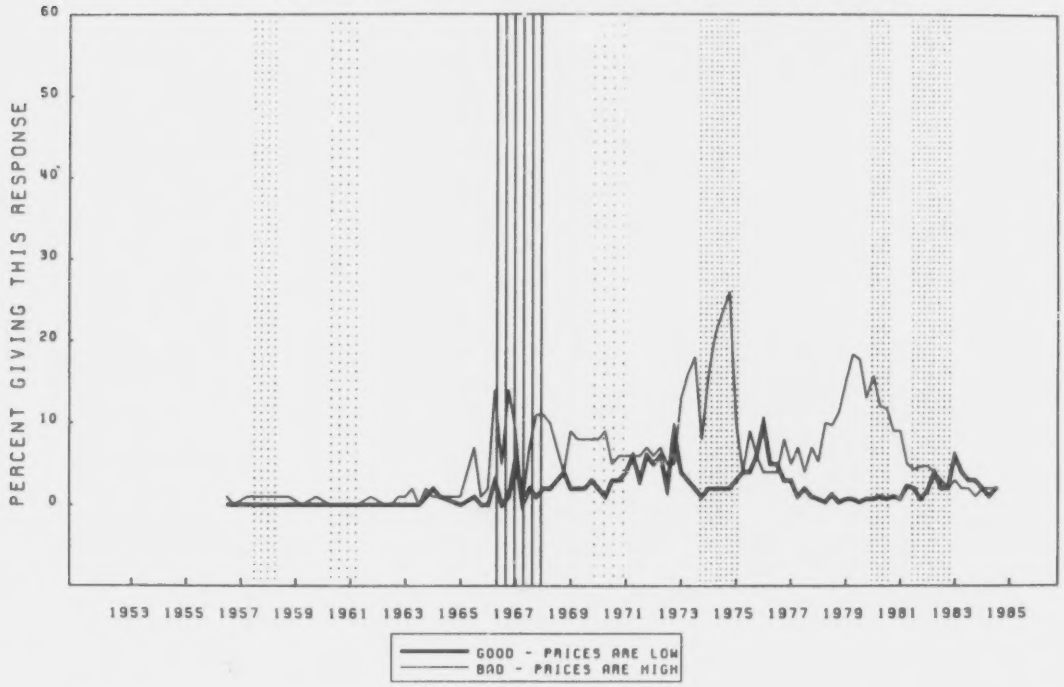



CHART 13B - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

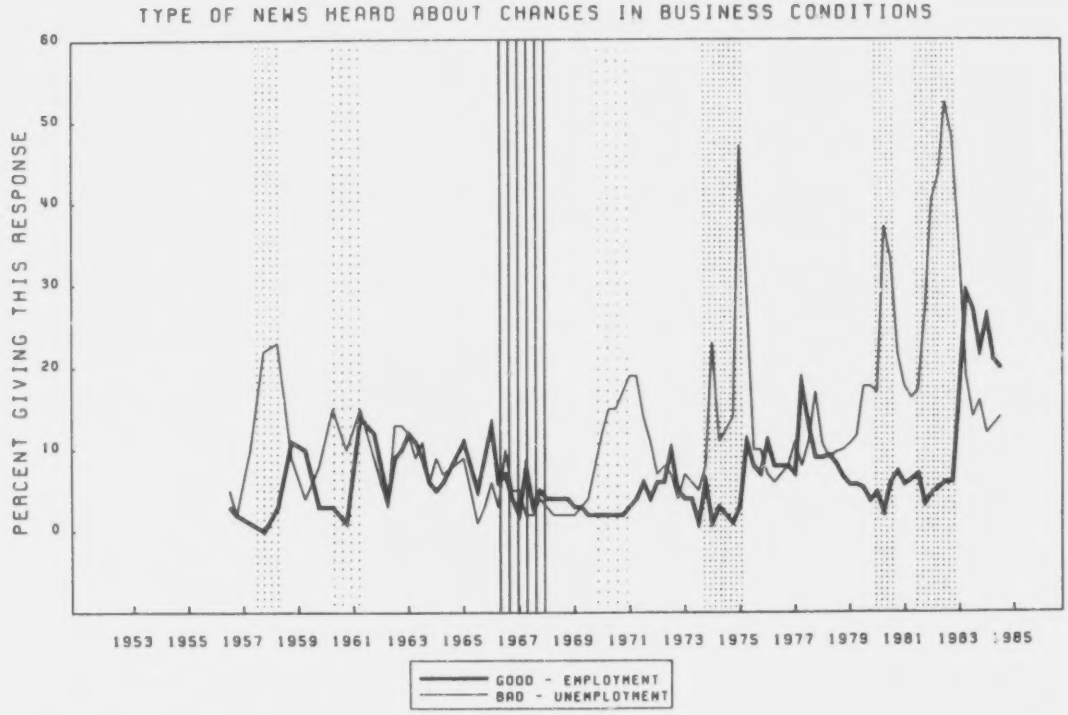


TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 6% | 4% | 4% | 2% | 2% | 2% | 2% | 1% | 2% | 2% | 2% | 1% | 2% |
| Employment | 7 | 3 | 5 | 5 | 6 | 6 | 17 | 29 | 27 | 22 | 26 | 21 | 20 |
| Higher consumer demand | 2 | 1 | * | 2 | 2 | 2 | 6 | 10 | 12 | 12 | 14 | 9 | 6 |
| Lower prices | 2 | 1 | 2 | 4 | 2 | 2 | 6 | 4 | 3 | 3 | 2 | 1 | 2 |
| Easier credit | 2 | 6 | 5 | 3 | 10 | 17 | 14 | 16 | 9 | 5 | 5 | 3 | 3 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 5 | 4 | 6 | 4 | 4 | 3 | 3 | 3 | 2 | 2 | 4 | 2 | 4 |
| Unemployment | 17 | 27 | 40 | 43 | 52 | 48 | 35 | 19 | 14 | 16 | 12 | 13 | 14 |
| Lower consumer demand | 4 | 9 | 12 | 9 | 6 | 7 | 4 | 2 | 2 | 1 | 1 | 1 | 2 |
| Higher prices | 4 | 5 | 5 | 4 | 3 | 2 | 3 | 2 | 2 | 1 | 2 | 2 | 2 |
| Tighter credit | 8 | 10 | 8 | 8 | 6 | 2 | 1 | 1 | 4 | 2 | 2 | 10 | 9 |
| Energy crisis | 1 | * | * | * | * | * | * | * | * | * | * | * | * |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 9% | 4% | 5% | 3% | 2% | 2% | 3% | 1% | 2% | 1% | 3% | 1% | 2% |
| Employment | 9 | 4 | 5 | 6 | 7 | 7 | 19 | 32 | 31 | 27 | 32 | 22 | 21 |
| Higher consumer demand | 3 | 1 | 1 | 3 | 3 | 3 | 7 | 14 | 15 | 15 | 18 | 11 | 8 |
| Lower prices | 3 | 1 | 2 | 5 | 3 | 3 | 8 | 6 | 4 | 3 | 3 | 1 | 3 |
| Easier credit | 3 | 6 | 7 | 4 | 14 | 21 | 19 | 19 | 12 | 8 | 6 | 4 | 4 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 4 | 3 | 5 | 4 | 3 | 3 | 3 | 2 | 3 | 2 | 5 | 3 | 4 |
| Unemployment | 18 | 26 | 44 | 47 | 57 | 47 | 36 | 19 | 13 | 16 | 11 | 11 | 15 |
| Lower consumer demand | 6 | 9 | 16 | 13 | 7 | 7 | 3 | 1 | 1 | 2 | 1 | 1 | 2 |
| Higher prices | 4 | 5 | 4 | 4 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Tighter credit | 10 | 12 | 11 | 11 | 8 | 1 | 1 | * | 5 | 2 | 3 | 15 | 13 |
| Energy crisis | * | * | * | * | * | * | * | * | * | * | * | * | * |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

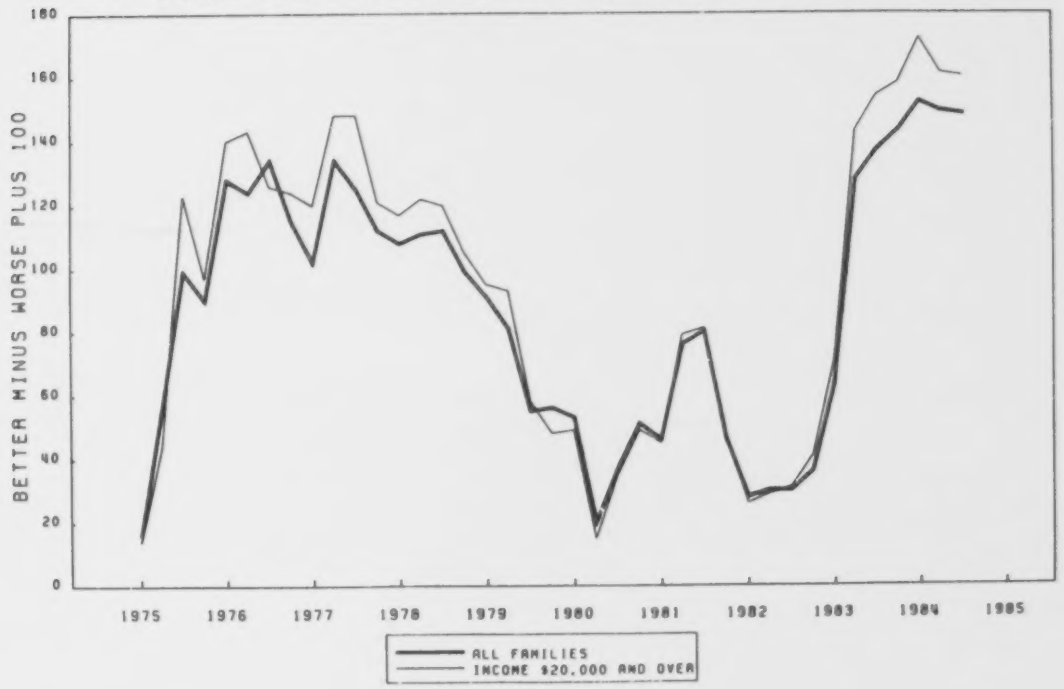



CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

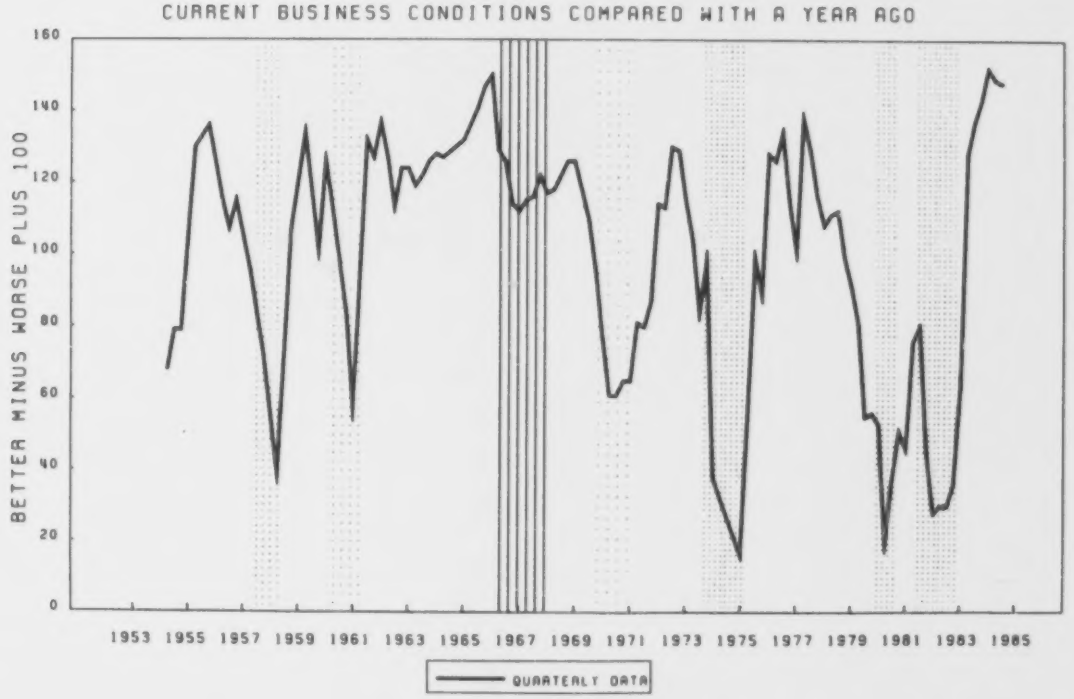


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| BETTER NOW | 31% | 17% | 10% | 11% | 11% | 14% | 27% | 59% | 63% | 67% | 71% | 68% | 67% |
| SAME | 15 | 10 | 7 | 7 | 7 | 8 | 9 | 10 | 9 | 8 | 8 | 11 | 11 |
| WORSE NOW | 51 | 71 | 82 | 81 | 81 | 77 | 64 | 30 | 27 | 23 | 20 | 19 | 20 |
| DK,NA | 3 | 2 | 1 | 1 | 1 | 1 | * | 1 | 1 | 2 | 1 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| BETTER NOW | 34% | 18% | 10% | 11% | 12% | 16% | 31% | 67% | 73% | 76% | 84% | 76% | 75% |
| SAME | 12 | 10 | 5 | 6 | 6 | 8 | 8 | 8 | 6 | 5 | 5 | 8 | 8 |
| WORSE NOW | 52 | 71 | 84 | 82 | 81 | 75 | 60 | 24 | 20 | 18 | 11 | 15 | 16 |
| DK,NA | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | * | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

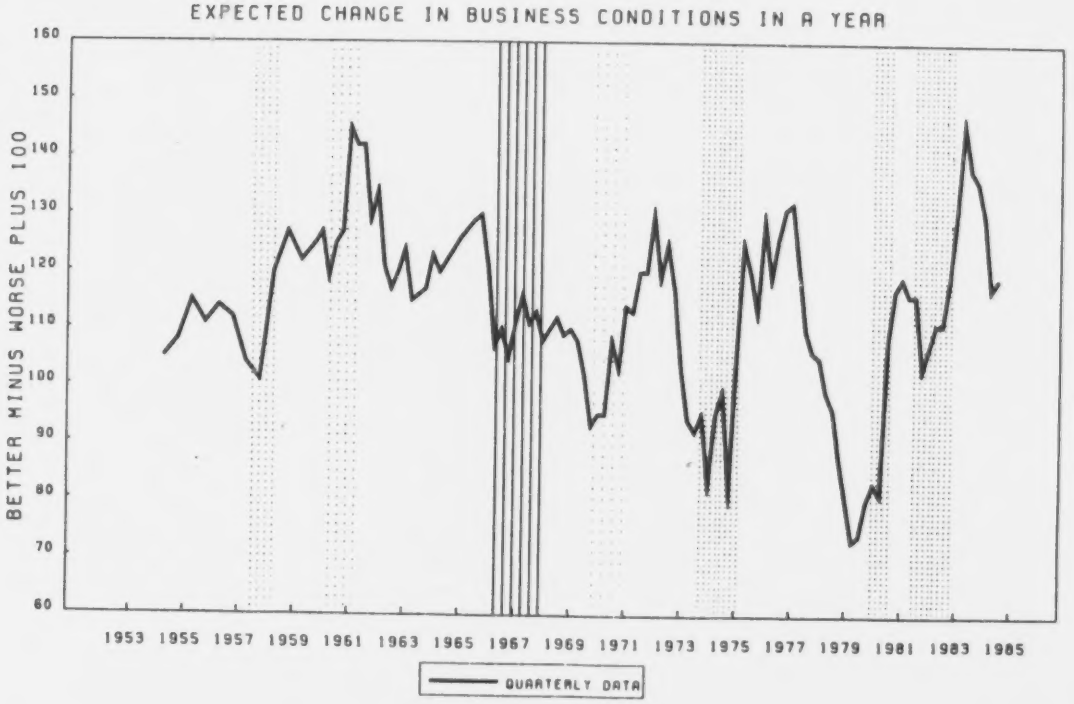


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| BETTER | 34% | 29% | 34% | 36% | 34% | 39% | 45% | 52% | 47% | 45% | 41% | 31% | 33% |
| SAME | 44 | 41 | 38 | 37 | 42 | 39 | 41 | 39 | 42 | 43 | 47 | 53 | 49 |
| WORSE | 19 | 27 | 26 | 25 | 22 | 20 | 13 | 7 | 9 | 10 | 10 | 14 | 14 |
| DK,NA | 3 | 3 | 2 | 2 | 2 | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| BETTER | 41% | 33% | 41% | 43% | 40% | 44% | 49% | 57% | 54% | 52% | 43% | 32% | 36% |
| SAME | 44 | 40 | 35 | 34 | 41 | 37 | 41 | 36 | 38 | 42 | 46 | 53 | 48 |
| WORSE | 13 | 23 | 22 | 21 | 18 | 18 | 9 | 6 | 7 | 5 | 9 | 14 | 13 |
| DK,NA | 2 | 4 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 16A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

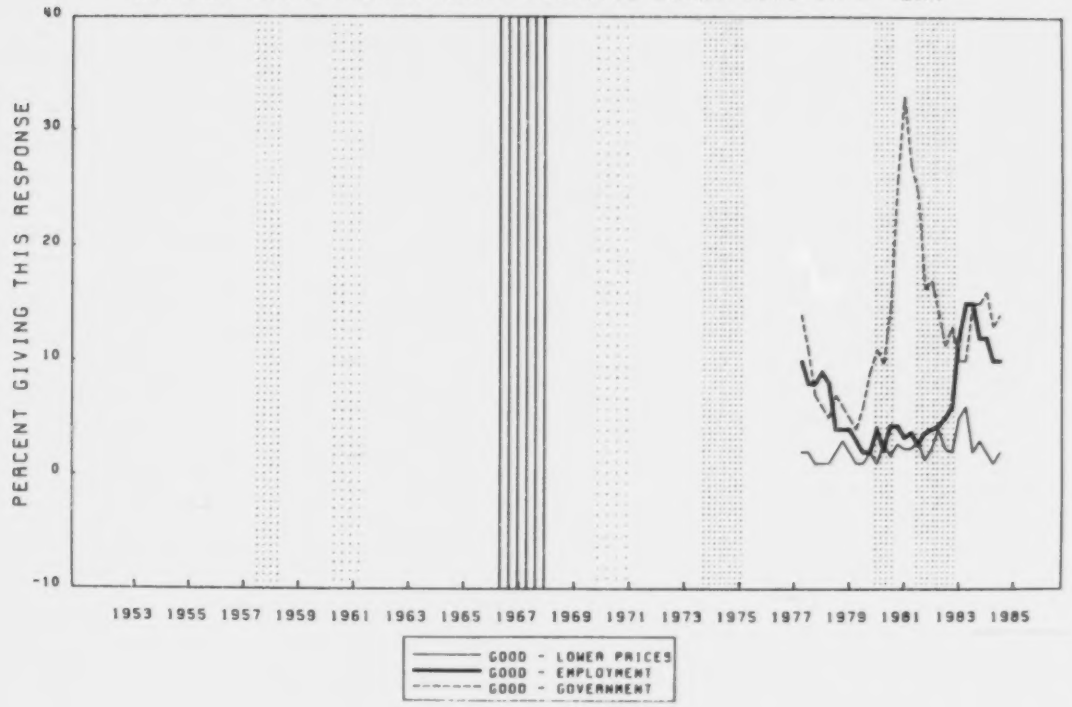



CHART 16B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

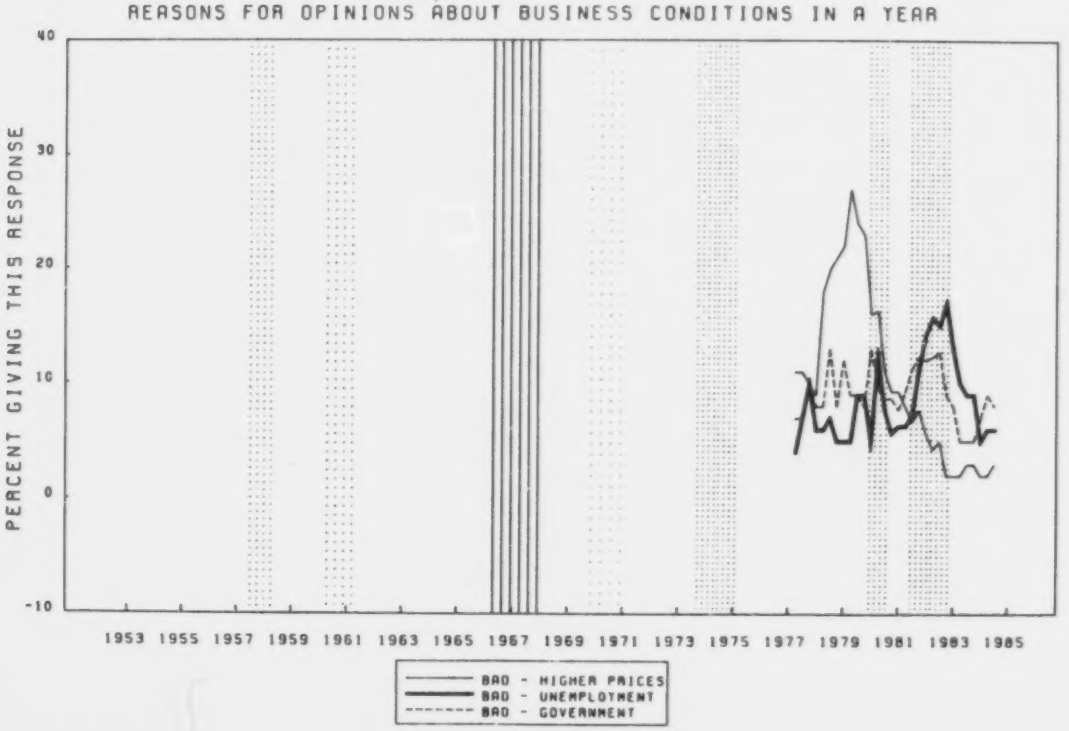


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 25% | 16% | 17% | 14% | 12% | 13% | 10% | 10% | 15% | 15% | 16% | 13% | 14% |
| Employment | 3 | 4 | 4 | 4 | 5 | 6 | 12 | 15 | 15 | 12 | 12 | 10 | 10 |
| Higher consumer demand | 3 | 2 | 3 | 4 | 3 | 5 | 6 | 9 | 7 | 8 | 6 | 4 | 4 |
| Lower prices | 3 | 1 | 2 | 4 | 2 | 2 | 5 | 6 | 2 | 3 | 2 | 1 | 2 |
| Easier credit | 4 | 7 | 6 | 9 | 9 | 13 | 12 | 13 | 6 | 5 | 3 | 2 | 4 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 11 | 12 | 12 | 12 | 13 | 9 | 8 | 5 | 5 | 5 | 7 | 9 | 8 |
| Unemployment | 7 | 11 | 14 | 16 | 15 | 17 | 13 | 10 | 9 | 9 | 5 | 6 | 6 |
| Lower consumer demand | 5 | 6 | 7 | 6 | 4 | 4 | 3 | 3 | 3 | 2 | 1 | 2 | 2 |
| Higher prices | 7 | 8 | 6 | 4 | 5 | 2 | 2 | 2 | 3 | 3 | 2 | 2 | 3 |
| Tighter credit | 6 | 5 | 6 | 7 | 7 | 3 | 2 | 2 | 3 | 2 | 3 | 7 | 5 |
| Energy crisis | * | * | * | * | * | * | * | * | * | * | * | * | * |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 29% | 19% | 20% | 18% | 15% | 15% | 9% | 12% | 18% | 17% | 19% | 14% | 18% |
| Employment | 5 | 4 | 5 | 6 | 6 | 8 | 13 | 15 | 16 | 14 | 10 | 11 | 9 |
| Higher consumer demand | 4 | 3 | 4 | 5 | 4 | 6 | 8 | 11 | 9 | 9 | 6 | 5 | 4 |
| Lower prices | 4 | 1 | 3 | 5 | 3 | 3 | 6 | 6 | 3 | 3 | 3 | 2 | 2 |
| Easier credit | 8 | 7 | 9 | 11 | 12 | 17 | 16 | 16 | 9 | 6 | 5 | 3 | 5 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 7 | 11 | 11 | 13 | 11 | 9 | 7 | 4 | 5 | 4 | 8 | 10 | 10 |
| Unemployment | 6 | 9 | 13 | 12 | 13 | 15 | 10 | 9 | 6 | 7 | 3 | 5 | 4 |
| Higher consumer demand | 3 | 6 | 7 | 6 | 5 | 5 | 4 | 2 | 3 | 2 | 1 | 2 | 2 |
| Higher prices | 5 | 6 | 5 | 4 | 3 | 2 | 1 | 2 | 2 | 2 | 3 | 2 | 2 |
| Tighter credit | 8 | 7 | 7 | 7 | 8 | 4 | 2 | 3 | 4 | 2 | 3 | 9 | 7 |
| Energy crisis | * | * | * | * | * | * | * | * | * | * | * | * | * |

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

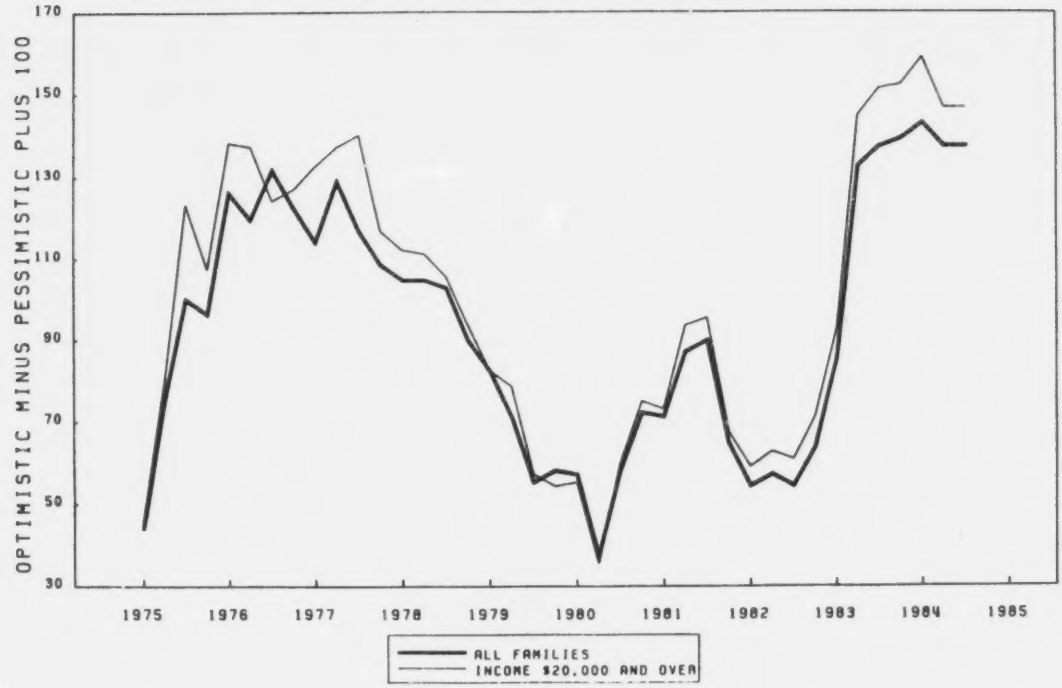



CHART 17 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

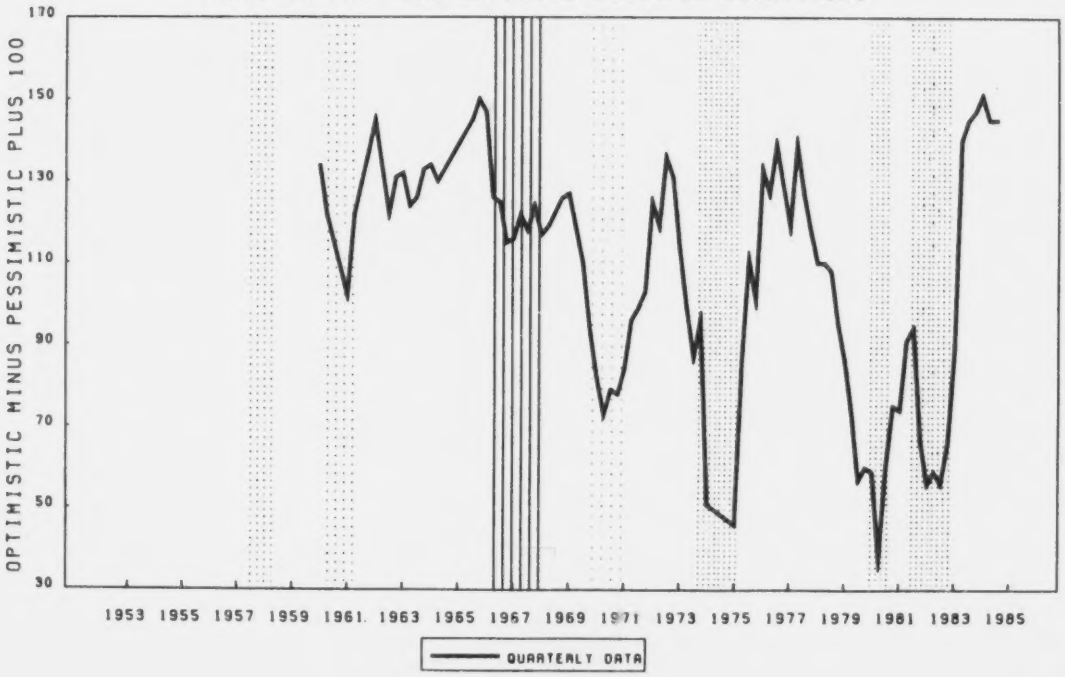


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 16% | 8% | 5% | 7% | 7% | 9% | 19% | 39% | 37% | 37% | 35% | 26% | 26% |
| Intermittent increase (b) | 18 | 11 | 7 | 6 | 6 | 8 | 12 | 22 | 26 | 28 | 32 | 37 | 36 |
| Remain unchanged (c) | 7 | 4 | 3 | 3 | 3 | 3 | 4 | 5 | 6 | 5 | 5 | 7 | 5 |
| Intermittent decline (d) | 26 | 29 | 31 | 31 | 35 | 33 | 29 | 16 | 13 | 14 | 12 | 12 | 11 |
| Continuous decline (e) | 14 | 23 | 25 | 23 | 21 | 18 | 12 | 6 | 6 | 5 | 4 | 6 | 6 |
| Mixed change (f) | 15 | 20 | 26 | 27 | 25 | 27 | 22 | 10 | 9 | 8 | 9 | 9 | 10 |
| DK,NA | 4 | 5 | 3 | 3 | 3 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 6 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 18% | 9% | 6% | 7% | 7% | 11% | 22% | 45% | 45% | 46% | 40% | 28% | 30% |
| Intermittent increase (b) | 18 | 12 | 6 | 6 | 7 | 10 | 14 | 24 | 28 | 29 | 38 | 40 | 38 |
| Remain unchanged (c) | 6 | 4 | 2 | 2 | 3 | 2 | 2 | 4 | 3 | 4 | 4 | 6 | 4 |
| Intermittent decline (d) | 27 | 30 | 30 | 29 | 35 | 30 | 30 | 12 | 9 | 11 | 7 | 10 | 9 |
| Continuous decline (e) | 9 | 21 | 21 | 20 | 17 | 16 | 9 | 4 | 4 | 3 | 2 | 4 | 4 |
| Mixed change (f) | 20 | 21 | 33 | 34 | 29 | 30 | 22 | 10 | 10 | 5 | 8 | 11 | 11 |
| DK,NA | 2 | 3 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

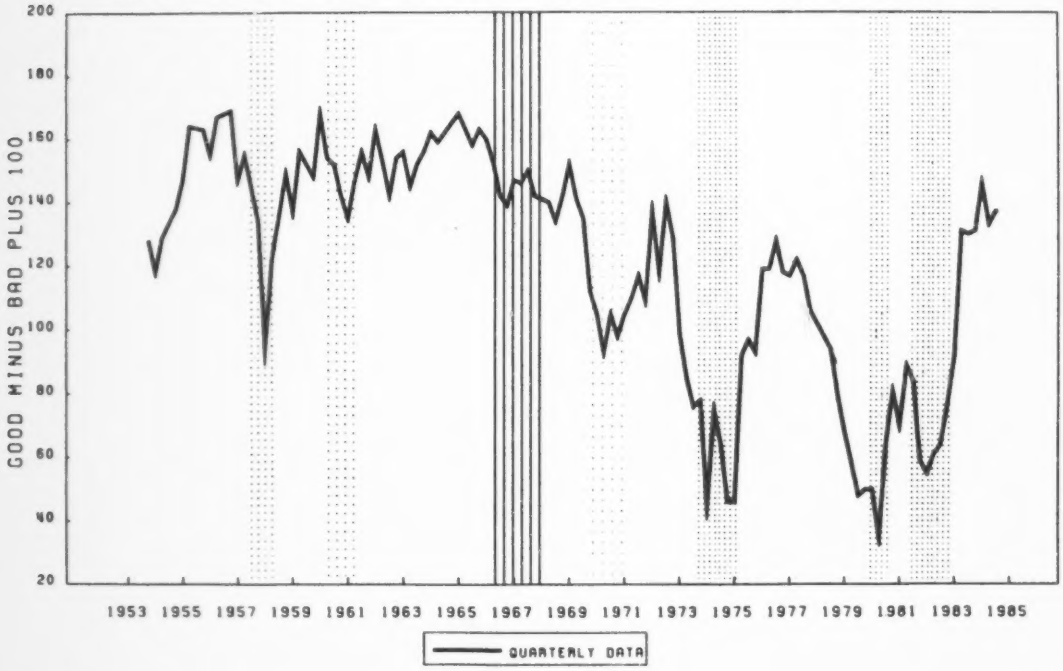


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIMES | 36% | 23% | 23% | 27% | 27% | 33% | 42% | 61% | 60% | 61% | 69% | 61% | 63% |
| UNCERTAIN; GOOD & BAD | 3 | 3 | 2 | 1 | 4 | 3 | 1 | 2 | 3 | 3 | 2 | 3 | 3 |
| BAD TIMES | 52 | 64 | 68 | 66 | 63 | 57 | 50 | 30 | 30 | 30 | 22 | 28 | 26 |
| DON'T KNOW | 5 | 6 | 3 | 4 | 3 | 4 | 3 | 4 | 5 | 5 | 5 | 5 | 6 |
| NOT ASCERTAINED | 4 | 4 | 4 | 2 | 3 | 3 | 4 | 3 | 2 | 1 | 2 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIMES | 40% | 25% | 24% | 29% | 30% | 37% | 45% | 68% | 68% | 69% | 80% | 68% | 68% |
| UNCERTAIN; GOOD & BAD | 3 | 3 | 2 | 2 | 4 | 4 | 1 | 2 | 3 | 2 | 1 | 3 | 4 |
| BAD TIMES | 49 | 66 | 69 | 65 | 61 | 54 | 48 | 24 | 24 | 25 | 16 | 24 | 22 |
| DON'T KNOW | 4 | 4 | 2 | 2 | 2 | 2 | 1 | 3 | 3 | 2 | 2 | 4 | 4 |
| NOT ASCERTAINED | 4 | 2 | 3 | 2 | 3 | 3 | 5 | 3 | 2 | 2 | 1 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

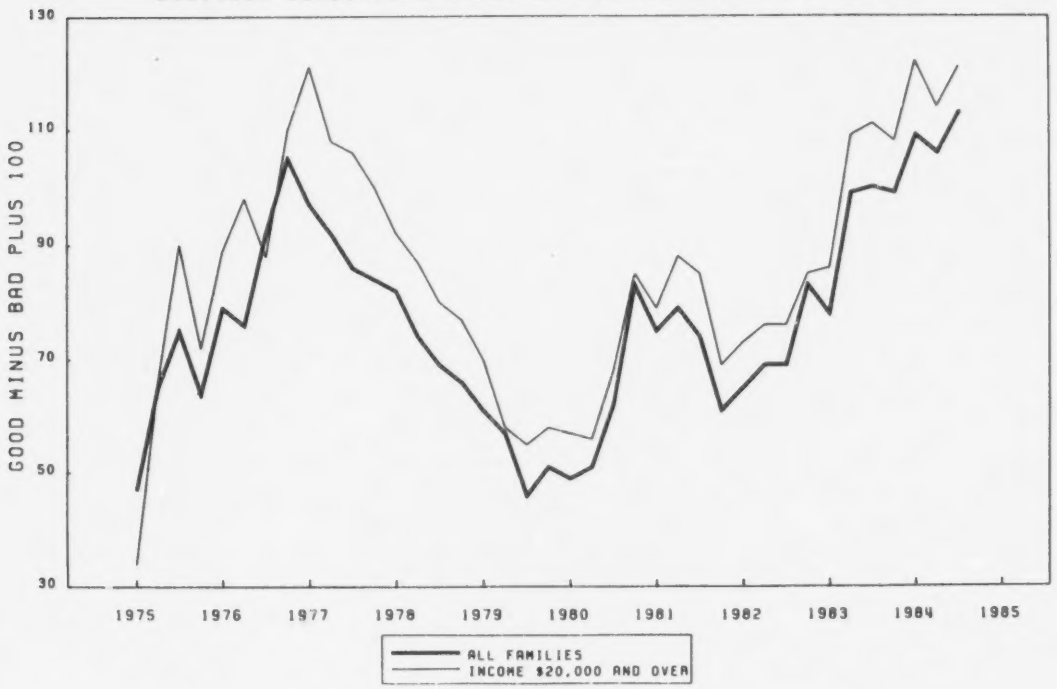



CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

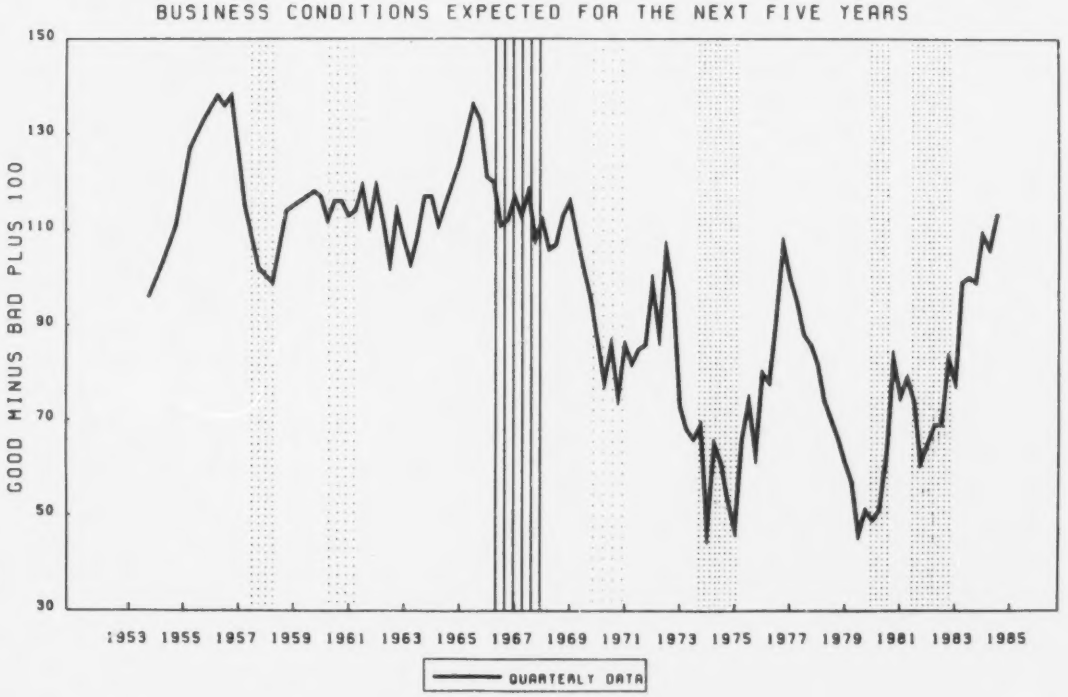


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIMES | 28% | 21% | 25% | 25% | 24% | 31% | 30% | 39% | 38% | 39% | 44% | 42% | 46% |
| UNCERTAIN; GOOD & BAD | 13 | 16 | 12 | 13 | 15 | 14 | 13 | 17 | 20 | 17 | 16 | 17 | 16 |
| BAD TIMES | 54 | 59 | 60 | 56 | 56 | 48 | 52 | 40 | 38 | 40 | 35 | 36 | 33 |
| NOT ASCERTAINED | 5 | 4 | 3 | 6 | 5 | 7 | 5 | 4 | 4 | 4 | 5 | 5 | 5 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIMES | 33% | 24% | 28% | 28% | 28% | 33% | 34% | 44% | 44% | 44% | 52% | 45% | 49% |
| UNCERTAIN; GOOD & BAD | 13 | 18 | 14 | 13 | 16 | 14 | 13 | 17 | 19 | 17 | 15 | 19 | 18 |
| BAD TIMES | 48 | 55 | 55 | 53 | 51 | 47 | 48 | 36 | 33 | 36 | 29 | 32 | 28 |
| NOT ASCERTAINED | 6 | 3 | 3 | 6 | 5 | 6 | 5 | 3 | 4 | 3 | 4 | 4 | 5 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES

EXPECTED CHANGE IN UNEMPLOYMENT

CHART 20 - HISTORICAL SERIES

EXPECTED CHANGE IN UNEMPLOYMENT

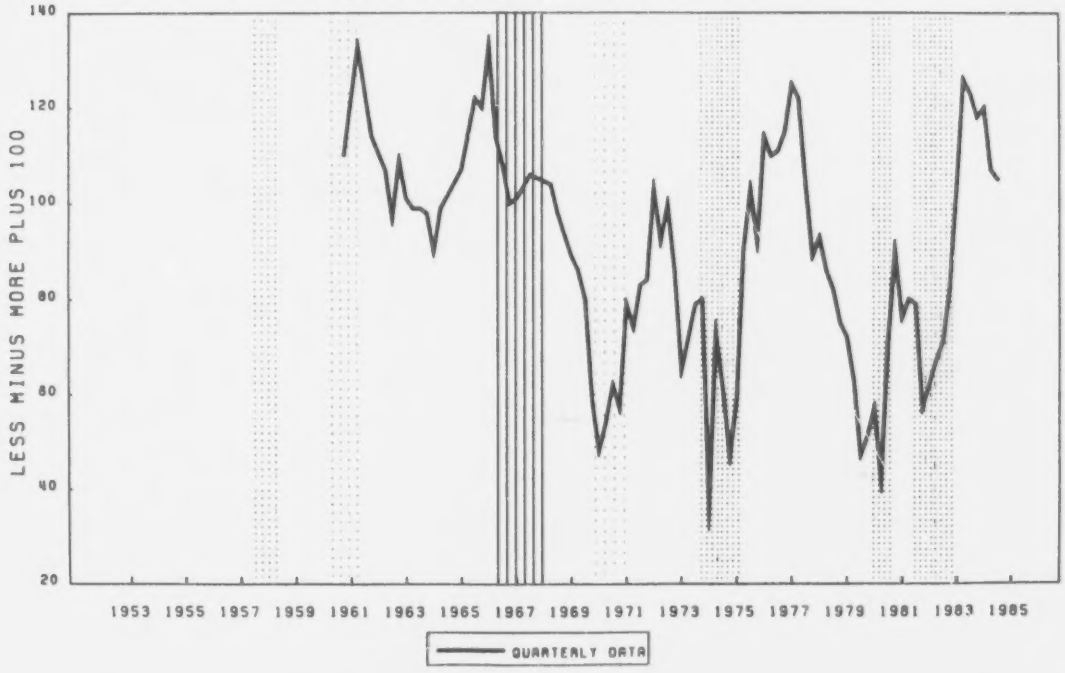


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| LESS | 16% | 11% | 14% | 16% | 17% | 21% | 29% | 40% | 39% | 35% | 35% | 27% | 25% |
| SAME | 45 | 33 | 33 | 35 | 36 | 39 | 43 | 44 | 43 | 45 | 48 | 52 | 52 |
| MORE | 37 | 54 | 52 | 48 | 46 | 38 | 27 | 15 | 16 | 18 | 15 | 20 | 21 |
| DK,NA | 2 | 2 | 1 | 1 | 1 | 2 | 1 | 1 | 2 | 2 | 2 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| LESS | 17% | 12% | 17% | 18% | 19% | 24% | 34% | 45% | 44% | 41% | 41% | 31% | 28% |
| SAME | 48 | 36 | 34 | 38 | 38 | 41 | 44 | 43 | 43 | 45 | 47 | 53 | 54 |
| MORE | 34 | 51 | 48 | 44 | 42 | 35 | 22 | 11 | 12 | 14 | 11 | 16 | 17 |
| DK,NA | 1 | 1 | 1 | * | 1 | * | * | 1 | 1 | * | 1 | * | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

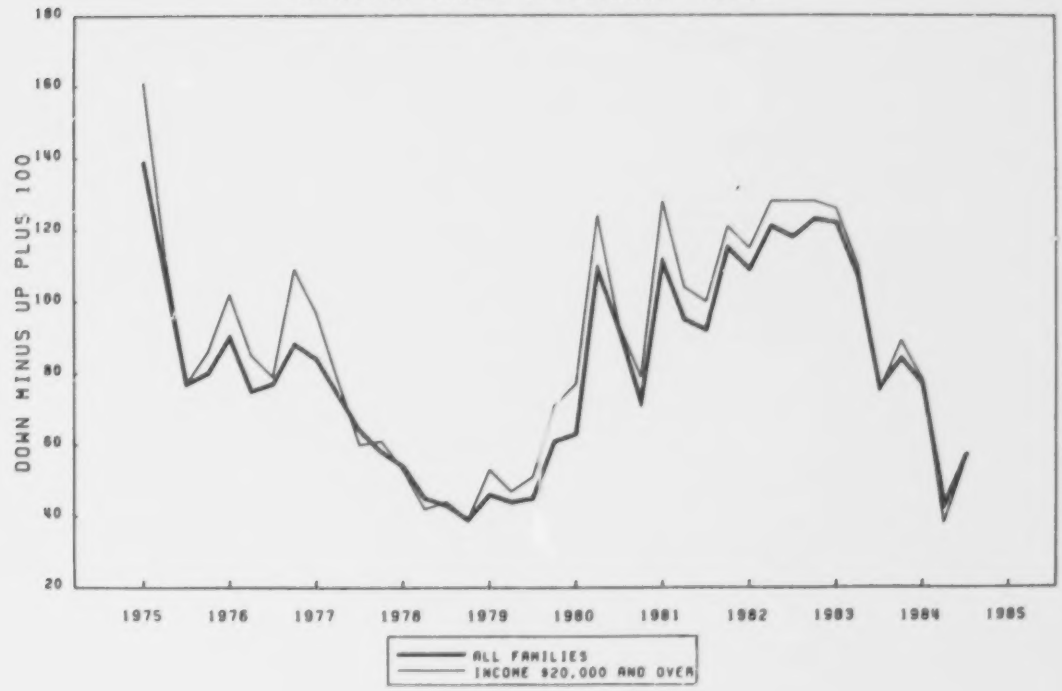



CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

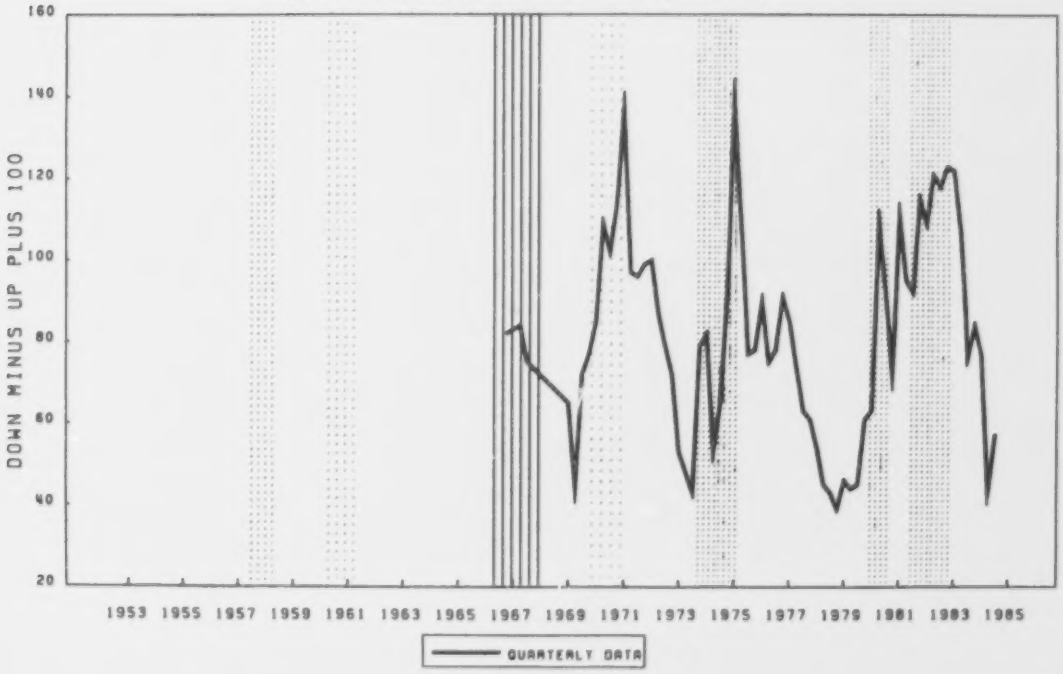


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GO UP | 36% | 27% | 28% | 21% | 22% | 22% | 20% | 23% | 44% | 37% | 40% | 66% | 55% |
| STAY THE SAME | 32 | 27 | 31 | 35 | 34 | 28 | 35 | 44 | 34 | 37 | 39 | 23 | 29 |
| GO DOWN | 28 | 42 | 37 | 41 | 40 | 46 | 42 | 31 | 19 | 22 | 17 | 9 | 13 |
| DK,NA | 4 | 4 | 4 | 3 | 4 | 4 | 3 | 2 | 3 | 4 | 4 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GO UP | 32% | 25% | 25% | 17% | 18% | 20% | 18% | 21% | 44% | 34% | 39% | 70% | 56% |
| STAY THE SAME | 35 | 27 | 33 | 36 | 34 | 30 | 36 | 47 | 36 | 41 | 42 | 22 | 30 |
| GO DOWN | 32 | 46 | 40 | 45 | 46 | 49 | 44 | 31 | 19 | 23 | 17 | 8 | 12 |
| DK,NA | 1 | 2 | 2 | 2 | 2 | 1 | 2 | 1 | 1 | 2 | 2 | * | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

* : Less than half of one percent.

CHART 22 - RECENT CHANGES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

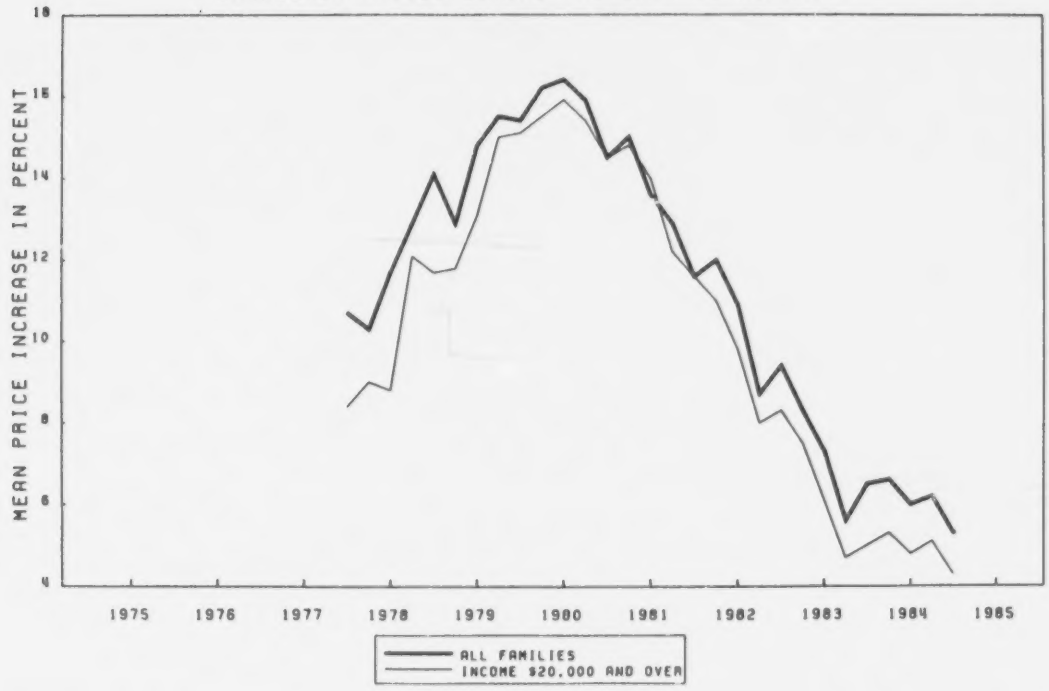



CHART 22 - HISTORICAL SERIES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

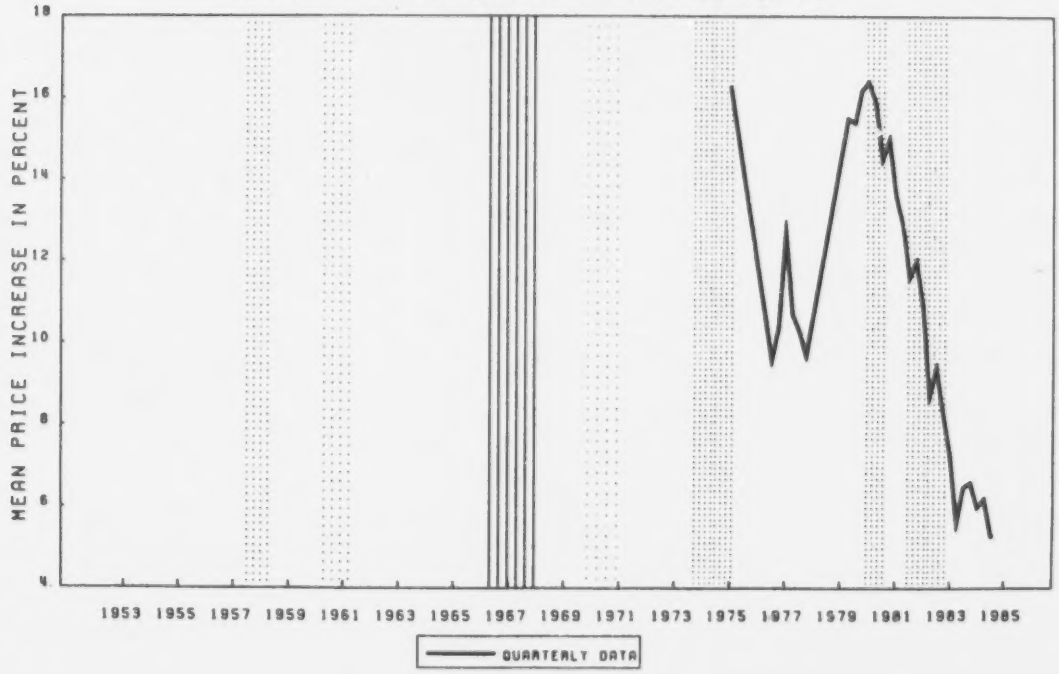


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| SAME OR DOWN | 10% | 8% | 13% | 17% | 13% | 20% | 26% | 30% | 24% | 23% | 23% | 22% | 28% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 4 | 3 | 4 | 5 | 6 | 5 | 6 | 8 | 9 | 9 | 10 | 11 | 9 |
| 3-4% | 6 | 7 | 6 | 9 | 9 | 8 | 10 | 12 | 13 | 14 | 15 | 15 | 15 |
| 5% | 10 | 10 | 12 | 12 | 12 | 15 | 15 | 15 | 15 | 15 | 16 | 17 | 17 |
| 6-9% | 13 | 14 | 14 | 14 | 14 | 12 | 9 | 9 | 9 | 9 | 9 | 9 | 8 |
| 10-14% | 25 | 27 | 24 | 20 | 22 | 18 | 15 | 12 | 13 | 13 | 12 | 11 | 10 |
| 15% or more | 24 | 23 | 21 | 17 | 17 | 15 | 13 | 9 | 10 | 10 | 8 | 10 | 8 |
| DK how much up | 8 | 7 | 6 | 6 | 6 | 6 | 5 | 4 | 6 | 6 | 6 | 5 | 5 |
| DK,NA | * | 1 | * | * | 1 | 1 | 1 | 1 | 1 | 1 | 1 | * | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 11.6 | 12.0 | 10.9 | 8.7 | 9.4 | 8.3 | 7.3 | 5.6 | 6.5 | 6.6 | 6.0 | 6.2 | 5.3 |
| VARIANCE | 123 | 131 | 124 | 91 | 99 | 97 | 97 | 63 | 84 | 82 | 70 | 69 | 62 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| SAME OR DOWN | 10% | 9% | 15% | 19% | 16% | 23% | 29% | 33% | 27% | 26% | 29% | 25% | 33% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 3 | 4 | 5 | 5 | 6 | 6 | 6 | 9 | 10 | 8 | 11 | 13 | 10 |
| 3-4% | 5 | 7 | 5 | 9 | 9 | 9 | 11 | 13 | 14 | 15 | 15 | 16 | 15 |
| 5% | 11 | 10 | 12 | 13 | 13 | 15 | 16 | 15 | 17 | 16 | 17 | 17 | 19 |
| 6-9% | 13 | 14 | 16 | 15 | 17 | 13 | 11 | 10 | 10 | 11 | 9 | 11 | 7 |
| 10-14% | 31 | 29 | 26 | 21 | 22 | 17 | 12 | 11 | 11 | 12 | 10 | 9 | 7 |
| 15% or more | 24 | 21 | 19 | 15 | 14 | 13 | 11 | 7 | 7 | 7 | 6 | 7 | 6 |
| DK how much up | 3 | 5 | 2 | 3 | 3 | 4 | 3 | 2 | 3 | 4 | 3 | 2 | 3 |
| DK,NA | * | 1 | * | * | * | * | 1 | * | 1 | 1 | * | * | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 11.6 | 11.0 | 9.8 | 8.0 | 8.3 | 7.5 | 6.1 | 4.7 | 5.0 | 5.3 | 4.8 | 5.1 | 4.3 |
| VARIANCE | 106 | 106 | 99 | 77 | 80 | 82 | 76 | 41 | 46 | 51 | 50 | 55 | 47 |

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASES DURING NEXT 12 MONTHS

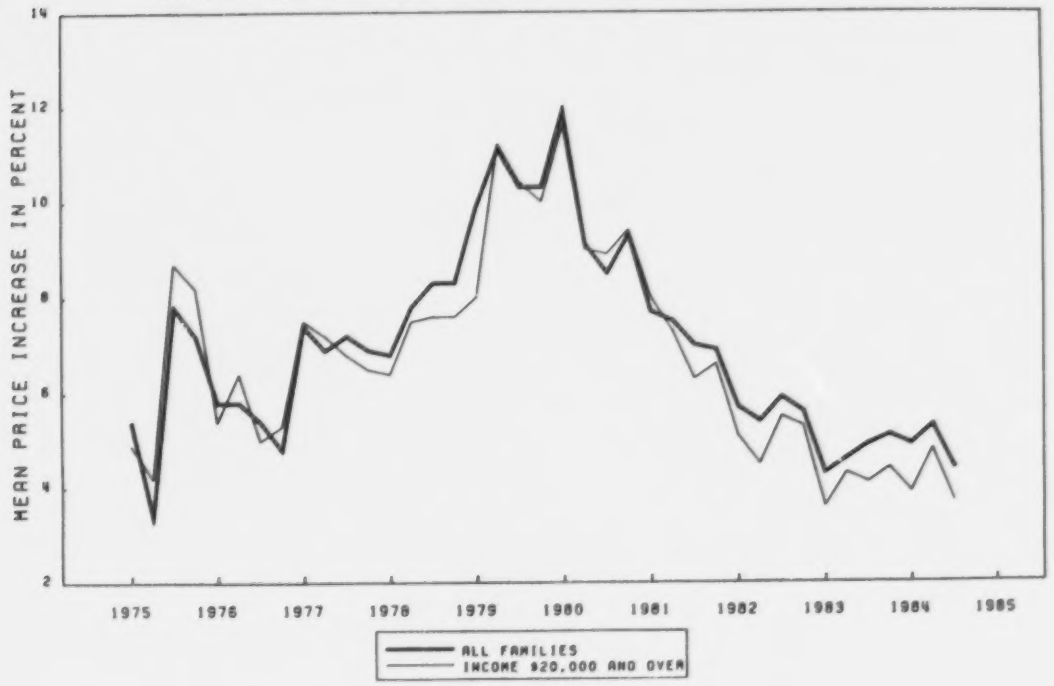



CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

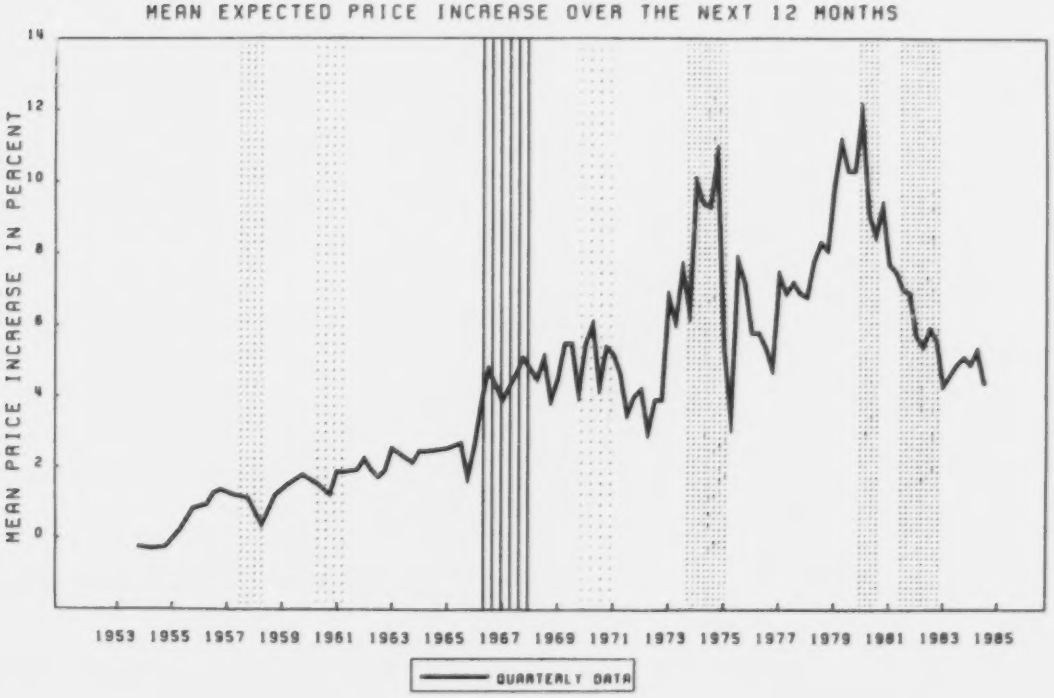


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| SAME OR DOWN | 30% | 29% | 35% | 33% | 26% | 32% | 38% | 32% | 27% | 24% | 24% | 19% | 24% |
| WILL GO UP BY: | | | | | | | | | | | | | |
| 1-2% | 4 | 4 | 5 | 6 | 8 | 5 | 9 | 9 | 13 | 12 | 14 | 14 | 16 |
| 3-4% | 7 | 7 | 8 | 9 | 10 | 10 | 12 | 14 | 15 | 15 | 18 | 16 | 17 |
| 5% | 11 | 12 | 12 | 15 | 16 | 15 | 15 | 17 | 16 | 16 | 16 | 18 | 17 |
| 6-9% | 13 | 13 | 12 | 10 | 13 | 10 | 7 | 10 | 8 | 9 | 8 | 11 | 7 |
| 10-14% | 17 | 18 | 13 | 13 | 13 | 13 | 8 | 9 | 9 | 11 | 10 | 11 | 8 |
| 15% or more | 11 | 10 | 9 | 8 | 8 | 9 | 6 | 5 | 6 | 6 | 5 | 6 | 5 |
| DK how much up | 6 | 5 | 4 | 3 | 4 | 4 | 3 | 3 | 4 | 5 | 4 | 4 | 4 |
| DK,NA | 1 | 2 | 2 | 3 | 2 | 2 | 2 | 1 | 2 | 2 | 1 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 7.0 | 6.9 | 5.7 | 5.4 | 5.9 | 5.6 | 4.3 | 4.6 | 4.9 | 5.1 | 4.9 | 5.3 | 4.4 |
| VARIANCE | 77 | 72 | 68 | 61 | 59 | 64 | 53 | 49 | 47 | 45 | 49 | 44 | 38 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| SAME OR DOWN | 30% | 30% | 34% | 37% | 25% | 32% | 39% | 29% | 26% | 24% | 25% | 18% | 24% |
| WILL GO UP BY: | | | | | | | | | | | | | |
| 1-2% | 5 | 4 | 5 | 6 | 8 | 5 | 10 | 9 | 14 | 13 | 15 | 15 | 18 |
| 3-4% | 7 | 7 | 9 | 8 | 11 | 10 | 13 | 15 | 18 | 16 | 20 | 19 | 19 |
| 5% | 12 | 12 | 14 | 17 | 17 | 16 | 18 | 19 | 18 | 18 | 18 | 19 | 20 |
| 6-9% | 15 | 14 | 14 | 12 | 16 | 12 | 7 | 12 | 9 | 13 | 10 | 13 | 8 |
| 10-14% | 19 | 20 | 15 | 13 | 12 | 14 | 6 | 9 | 8 | 9 | 7 | 10 | 5 |
| 15% or more | 10 | 9 | 7 | 5 | 7 | 7 | 4 | 4 | 4 | 4 | 2 | 4 | 3 |
| DK how much up | 2 | 4 | 1 | 1 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| DK,NA | * | * | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | * | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 6.3 | 6.6 | 5.1 | 4.5 | 5.5 | 5.3 | 3.6 | 4.3 | 4.1 | 4.4 | 3.9 | 4.8 | 3.7 |
| VARIANCE | 53 | 66 | 41 | 40 | 46 | 51 | 36 | 33 | 26 | 28 | 24 | 35 | 21 |

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

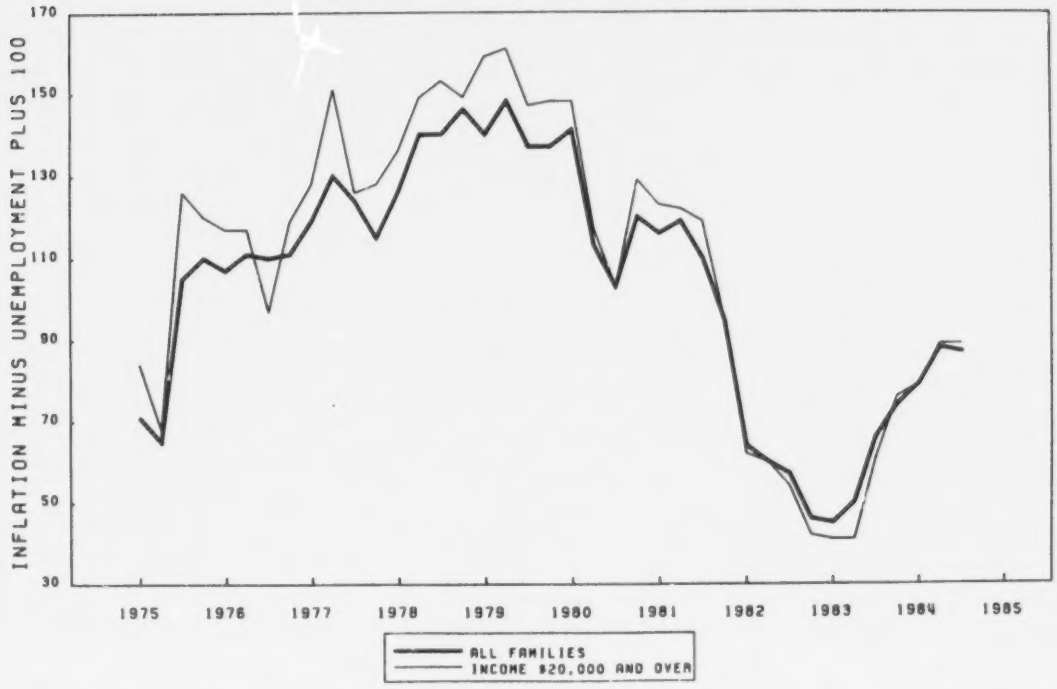



CHART 24 - HISTORICAL SERIES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

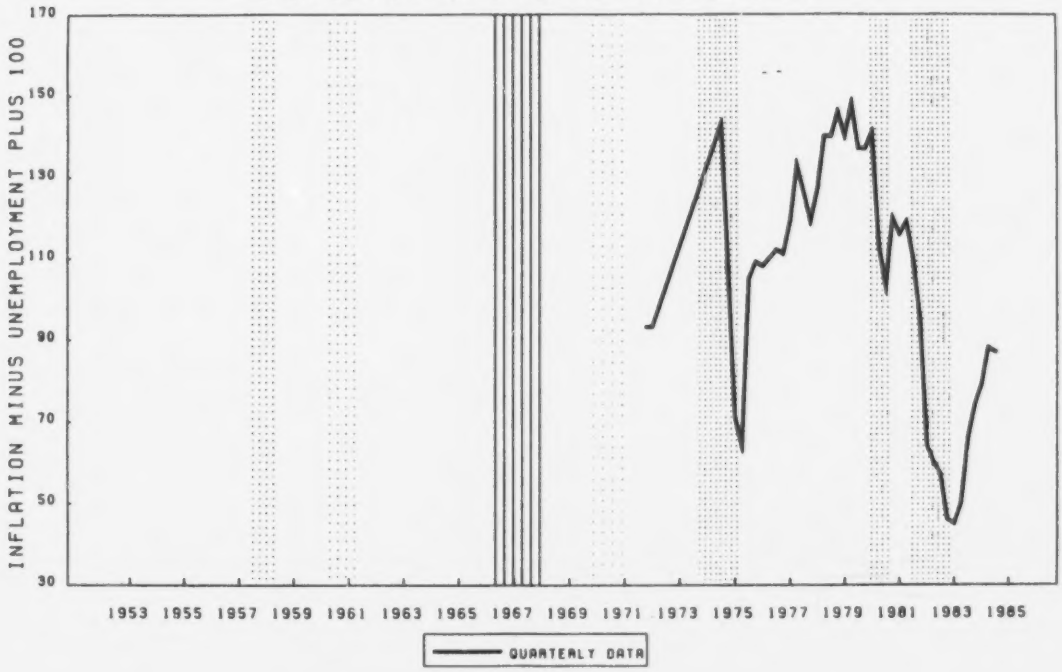


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| UNEMPLOYMENT | 39% | 45% | 61% | 64% | 66% | 72% | 73% | 71% | 63% | 59% | 56% | 53% | 52% |
| BOTH EQUALLY SERIOUS | 10 | 12 | 12 | 11 | 10 | 9 | 7 | 7 | 7 | 6 | 6 | 5 | 6 |
| INFLATION | 50 | 41 | 26 | 24 | 23 | 18 | 18 | 21 | 29 | 33 | 35 | 40 | 39 |
| DK,NA | 1 | 2 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 2 | 3 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| UNEMPLOYMENT | 35% | 47% | 64% | 65% | 69% | 76% | 76% | 77% | 66% | 59% | 58% | 53% | 53% |
| BOTH EQUALLY SERIOUS | 9 | 9 | 10 | 9 | 8 | 5 | 6 | 4 | 6 | 5 | 4 | 4 | 4 |
| INFLATION | 55 | 43 | 26 | 25 | 23 | 18 | 18 | 18 | 28 | 35 | 37 | 42 | 41 |
| DK,NA | 1 | 1 | * | 1 | * | 1 | * | 1 | * | 1 | 1 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

* : Less than half of one percent.

CHART 25 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

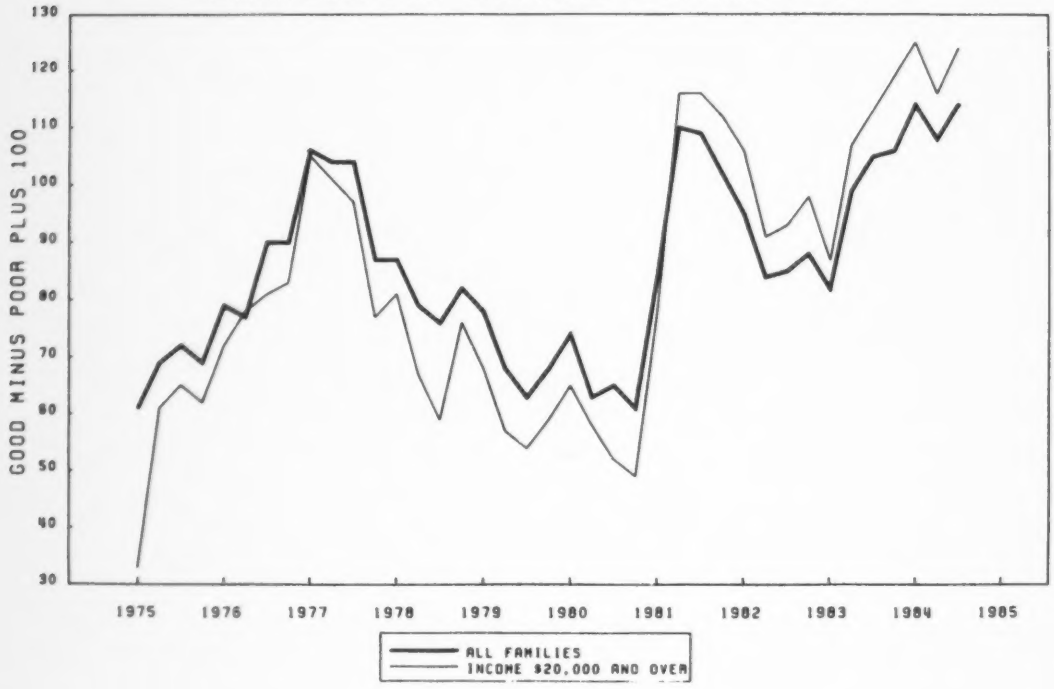



CHART 25 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

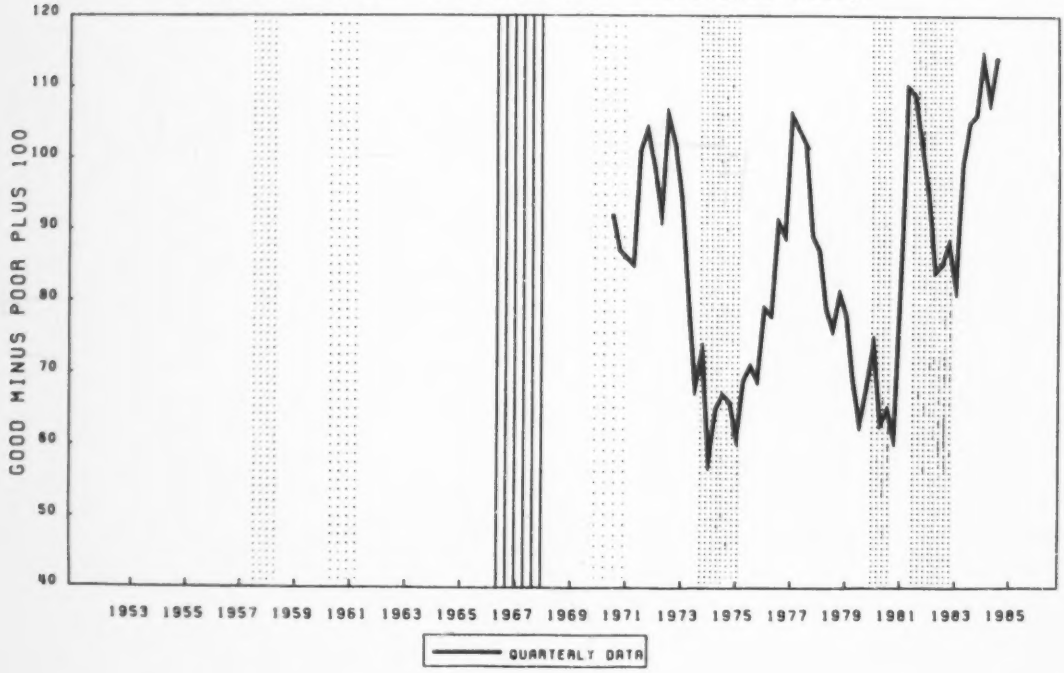


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| A GOOD JOB | 30% | 26% | 23% | 19% | 18% | 20% | 18% | 21% | 27% | 27% | 32% | 28% | 33% |
| ONLY FAIR | 45 | 46 | 45 | 43 | 46 | 44 | 44 | 54 | 49 | 50 | 48 | 50 | 46 |
| A POOR JOB | 21 | 25 | 29 | 35 | 33 | 32 | 36 | 23 | 22 | 21 | 18 | 20 | 19 |
| DK,NA | 4 | 3 | 3 | 3 | 3 | 4 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| A GOOD JOB | 33% | 32% | 30% | 22% | 22% | 25% | 19% | 25% | 31% | 33% | 38% | 31% | 38% |
| ONLY FAIR | 47 | 47 | 44 | 45 | 47 | 45 | 47 | 55 | 50 | 51 | 47 | 51 | 46 |
| A POOR JOB | 17 | 19 | 24 | 31 | 29 | 26 | 32 | 19 | 18 | 15 | 14 | 16 | 15 |
| DK,NA | 3 | 2 | 2 | 2 | 2 | 4 | 2 | 1 | 1 | 1 | 1 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

CHART 26 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

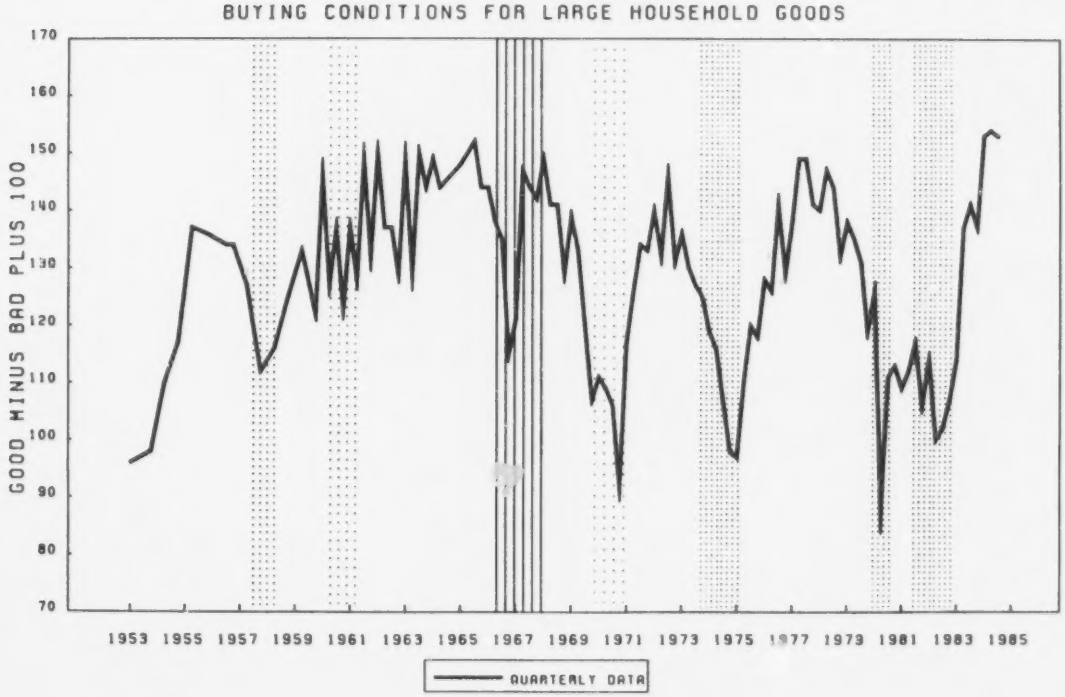


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIME TO BUY | 51% | 46% | 51% | 43% | 44% | 48% | 53% | 64% | 65% | 63% | 71% | 72% | 71% |
| UNCERTAIN, DEPENDS | 15 | 13 | 12 | 14 | 14 | 12 | 9 | 8 | 10 | 11 | 10 | 10 | 10 |
| BAD TIME TO BUY | 34 | 41 | 37 | 43 | 42 | 40 | 38 | 28 | 25 | 26 | 19 | 18 | 19 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIME TO BUY | 55% | 53% | 54% | 48% | 47% | 52% | 59% | 70% | 73% | 69% | 81% | 79% | 78% |
| UNCERTAIN, DEPENDS | 14 | 11 | 13 | 15 | 15 | 13 | 9 | 8 | 8 | 8 | 7 | 8 | 9 |
| BAD TIME TO BUY | 31 | 36 | 33 | 37 | 38 | 35 | 32 | 22 | 19 | 23 | 12 | 13 | 13 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

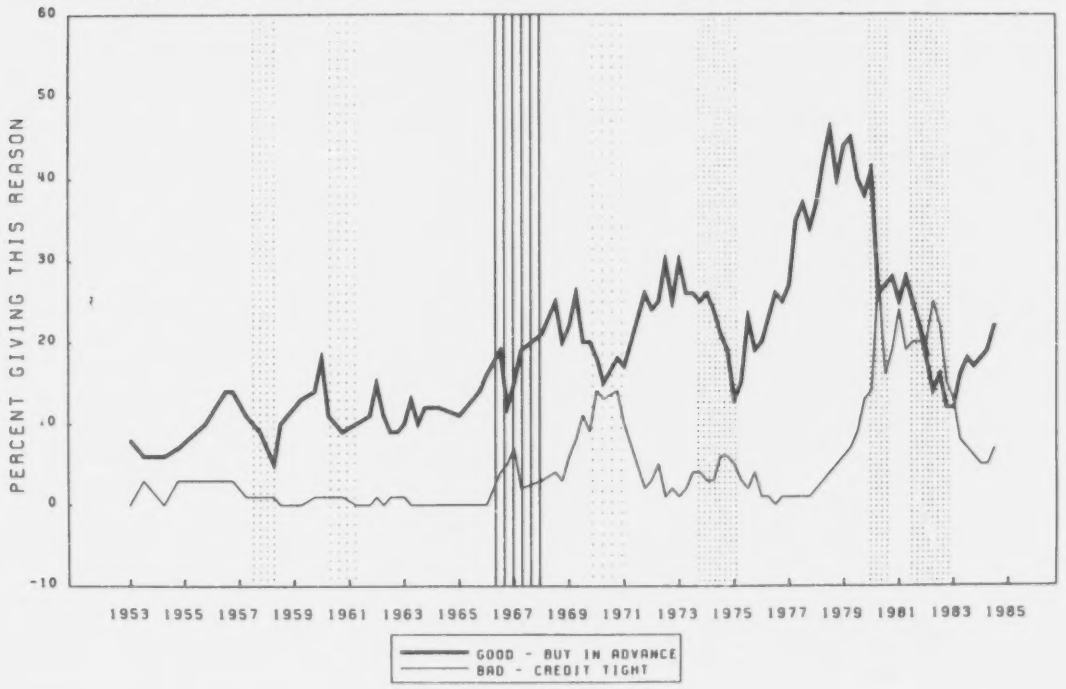



CHART 27B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

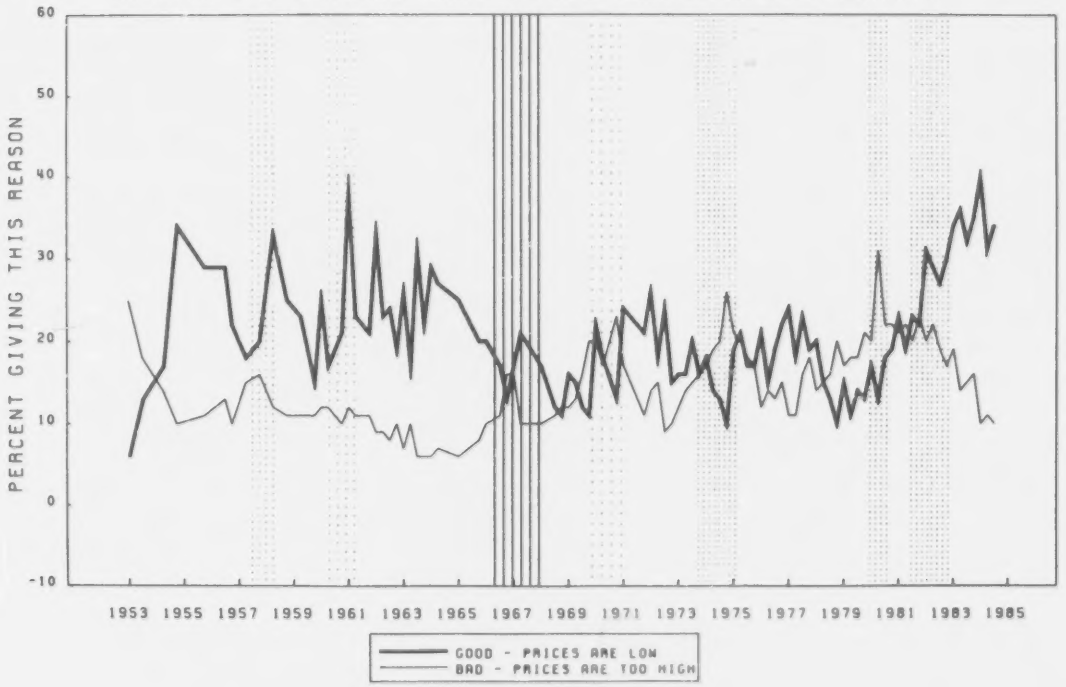


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 23% | 22% | 31% | 29% | 27% | 30% | 34% | 36% | 32% | 35% | 40% | 31% | 34% |
| Prices won't come down; are going higher | 25 | 22 | 18 | 14 | 16 | 12 | 12 | 16 | 18 | 17 | 18 | 19 | 22 |
| Interest rates low; credit is easy | 2 | 2 | 2 | 2 | 3 | 6 | 9 | 14 | 12 | 7 | 10 | 12 | 9 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 20 | 23 | 20 | 22 | 19 | 17 | 19 | 14 | 15 | 16 | 10 | 11 | 10 |
| Interest rates are high; credit is tight | 20 | 20 | 20 | 25 | 22 | 15 | 13 | 8 | 7 | 6 | 5 | 5 | 7 |
| Lack of purchasing power | 8 | 13 | 15 | 20 | 20 | 22 | 19 | 14 | 10 | 10 | 8 | 6 | 6 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 26% | 27% | 36% | 33% | 34% | 35% | 39% | 39% | 37% | 42% | 45% | 36% | 38% |
| Prices won't come down; are going higher | 27 | 24 | 20 | 16 | 17 | 12 | 14 | 19 | 20 | 18 | 21 | 22 | 22 |
| Interest rates low; credit is easy | 3 | 1 | 2 | 2 | 4 | 7 | 11 | 17 | 16 | 8 | 13 | 14 | 12 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 18 | 19 | 16 | 18 | 16 | 13 | 12 | 11 | 11 | 14 | 6 | 8 | 7 |
| Interest rates are high; credit is tight | 24 | 21 | 24 | 26 | 27 | 17 | 14 | 7 | 6 | 6 | 5 | 6 | 6 |
| Lack of purchasing power | 9 | 11 | 14 | 16 | 17 | 20 | 18 | 11 | 7 | 7 | 4 | 3 | 4 |

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 RECENT CHANGES

BUYING CONDITIONS FOR HOUSES

CHART 28 - HISTORICAL SERIES

BUYING CONDITIONS FOR HOUSES

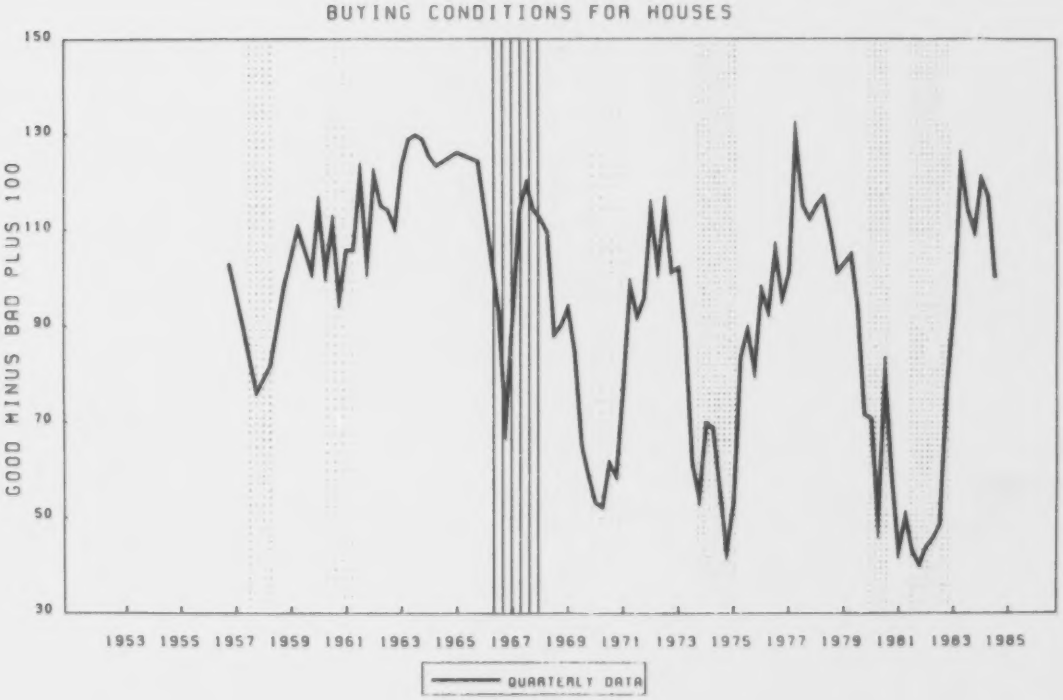


TABLE 28

BUYING CONDITIONS FOR HOUSES

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIME TO BUY | 19% | 18% | 20% | 20% | 21% | 38% | 48% | 64% | 58% | 55% | 61% | 59% | 50% |
| UNCERTAIN, DEPENDS | 7 | 6 | 6 | 7 | 8 | 5 | 2 | 4 | 4 | 6 | 5 | 5 | 6 |
| BAD TIME TO BUY | 74 | 76 | 74 | 73 | 71 | 57 | 50 | 32 | 38 | 39 | 34 | 36 | 44 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIME TO BUY | 19% | 18% | 23% | 25% | 24% | 45% | 56% | 72% | 66% | 63% | 72% | 68% | 55% |
| UNCERTAIN, DEPENDS | 6 | 7 | 6 | 7 | 7 | 5 | 2 | 2 | 4 | 4 | 4 | 3 | 5 |
| BAD TIME TO BUY | 75 | 75 | 71 | 68 | 69 | 50 | 42 | 26 | 30 | 33 | 24 | 29 | 40 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

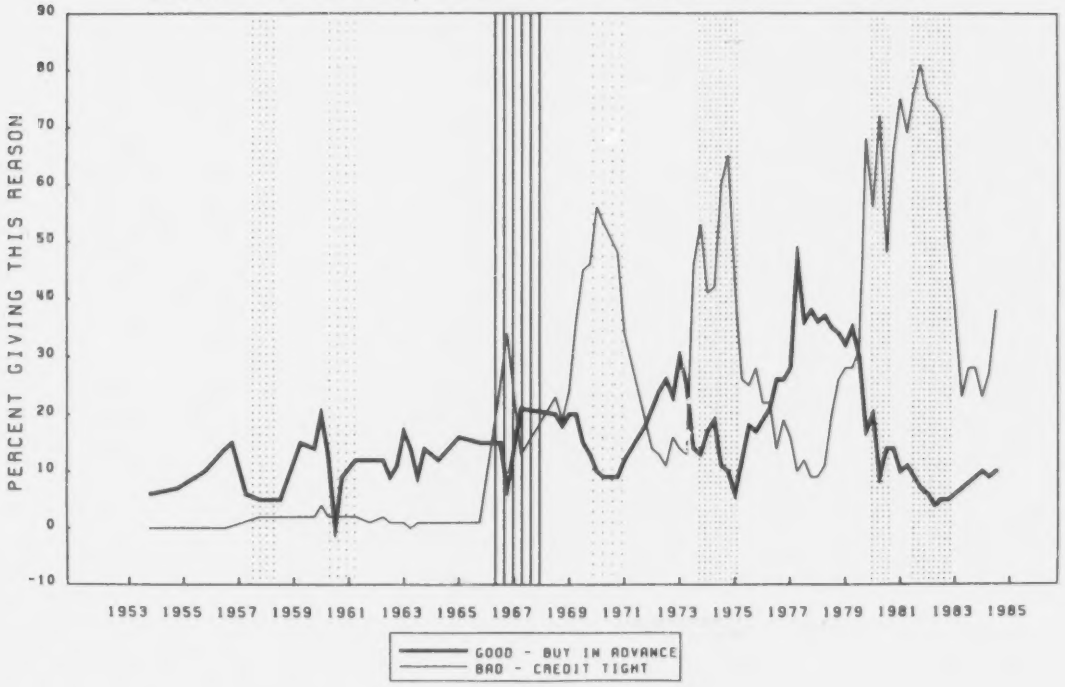



CHART 29B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

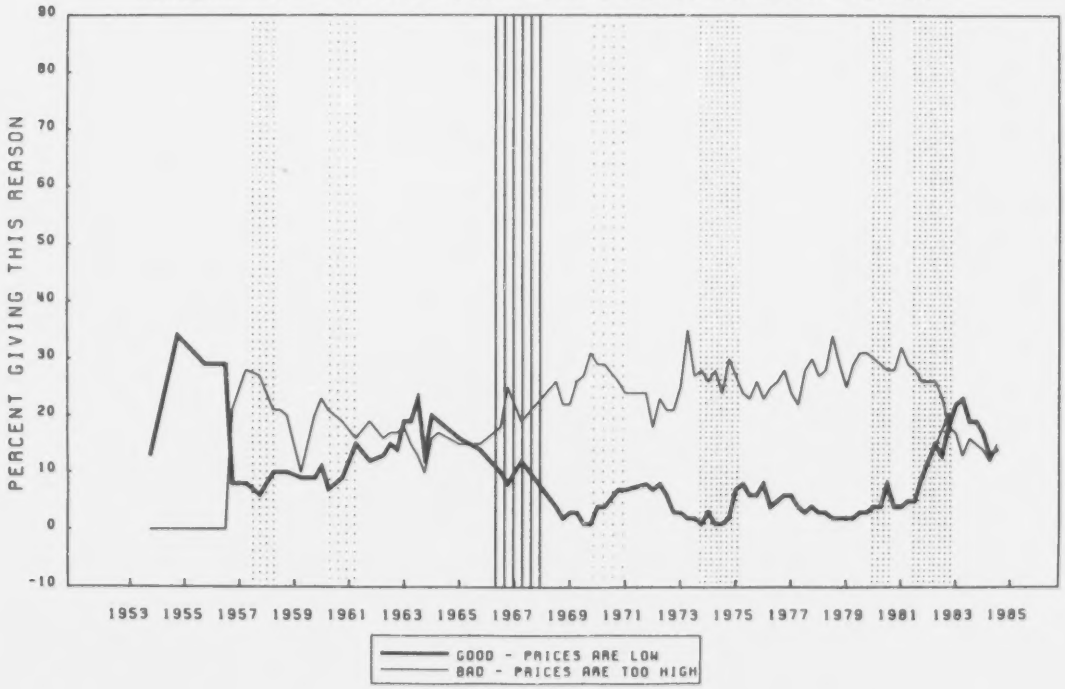


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 5% | 9% | 12% | 15% | 13% | 18% | 22% | 23% | 19% | 19% | 17% | 13% | 14% |
| Prices won't come down; are going higher | 9 | 7 | 6 | 4 | 5 | 5 | 6 | 7 | 8 | 9 | 10 | 9 | 10 |
| Interest rates low; credit is easy | 7 | 5 | 6 | 6 | 10 | 29 | 40 | 57 | 47 | 40 | 47 | 45 | 35 |
| Good investment | 5 | 4 | 5 | 5 | 3 | 4 | 4 | 5 | 6 | 6 | 7 | 6 | 5 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 28 | 26 | 26 | 26 | 23 | 18 | 17 | 13 | 16 | 15 | 14 | 12 | 15 |
| Interest rates are high; credit is tight | 76 | 81 | 75 | 74 | 72 | 50 | 38 | 23 | 28 | 28 | 23 | 27 | 38 |
| Lack of purchasing power | 13 | 16 | 21 | 21 | 23 | 23 | 22 | 14 | 13 | 15 | 11 | 11 | 11 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 6% | 10% | 17% | 21% | 19% | 24% | 27% | 28% | 23% | 23% | 21% | 16% | 17% |
| Prices won't come down; are going higher | 11 | 7 | 6 | 6 | 4 | 5 | 7 | 8 | 9 | 9 | 10 | 12 | 12 |
| Interest rates low; credit is easy | 8 | 5 | 8 | 8 | 13 | 36 | 50 | 66 | 56 | 49 | 59 | 54 | 43 |
| Good investment | 6 | 5 | 4 | 5 | 3 | 5 | 5 | 5 | 7 | 6 | 9 | 8 | 6 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 24 | 22 | 23 | 23 | 18 | 16 | 13 | 9 | 12 | 13 | 11 | 10 | 12 |
| Interest rates are high; credit is tight | 86 | 85 | 80 | 73 | 77 | 48 | 37 | 21 | 27 | 26 | 19 | 26 | 38 |
| Lack of purchasing power | 10 | 14 | 15 | 17 | 18 | 16 | 16 | 9 | 10 | 9 | 5 | 7 | 8 |

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

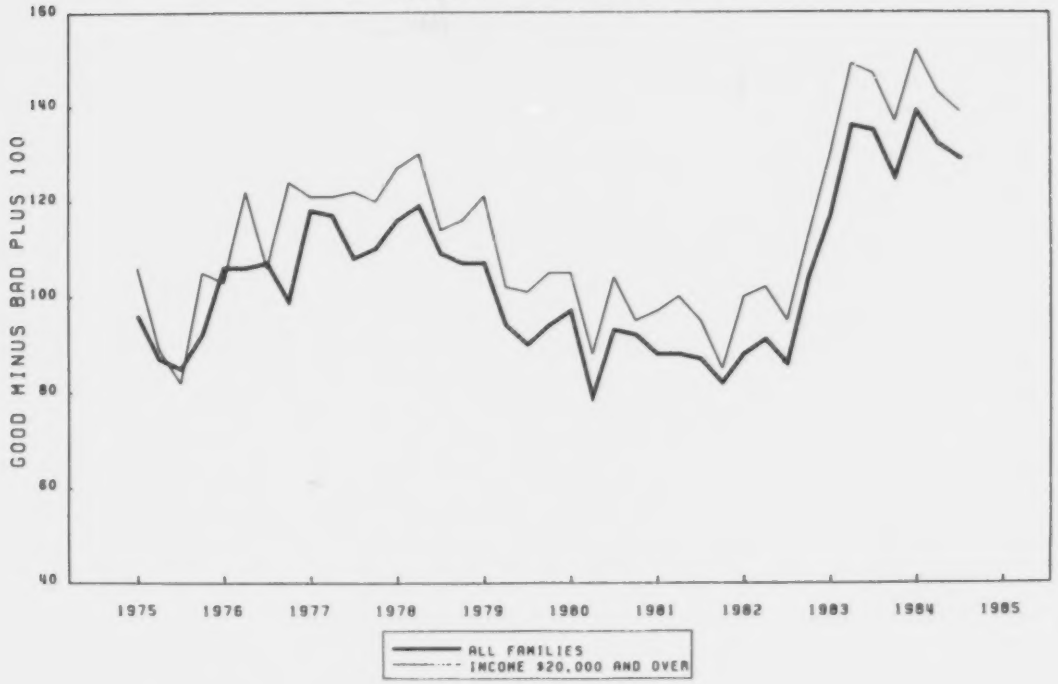



CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

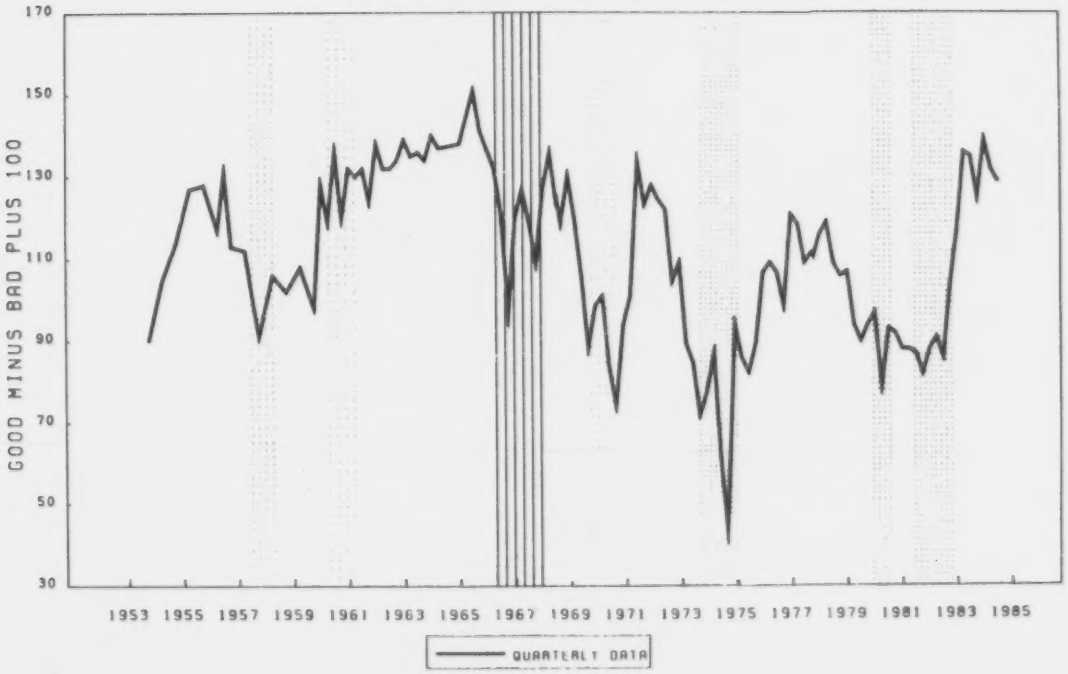


TABLE 30

BUYING CONDITIONS FOR CARS

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIME TO BUY | 39% | 36% | 39% | 41% | 37% | 47% | 55% | 65% | 64% | 58% | 64% | 61% | 60% |
| UNCERTAIN; DEPENDS | 9 | 10 | 10 | 9 | 11 | 9 | 7 | 6 | 7 | 9 | 11 | 10 | 9 |
| BAD TIME TO BUY | 52 | 54 | 51 | 50 | 52 | 44 | 38 | 29 | 29 | 33 | 25 | 29 | 31 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIME TO BUY | 44% | 39% | 46% | 48% | 43% | 53% | 61% | 72% | 72% | 65% | 72% | 68% | 66% |
| UNCERTAIN; DEPENDS | 7 | 7 | 8 | 6 | 9 | 8 | 8 | 5 | 4 | 7 | 7 | 7 | 7 |
| BAD TIME TO BUY | 49 | 54 | 46 | 46 | 48 | 39 | 31 | 23 | 24 | 28 | 21 | 25 | 27 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

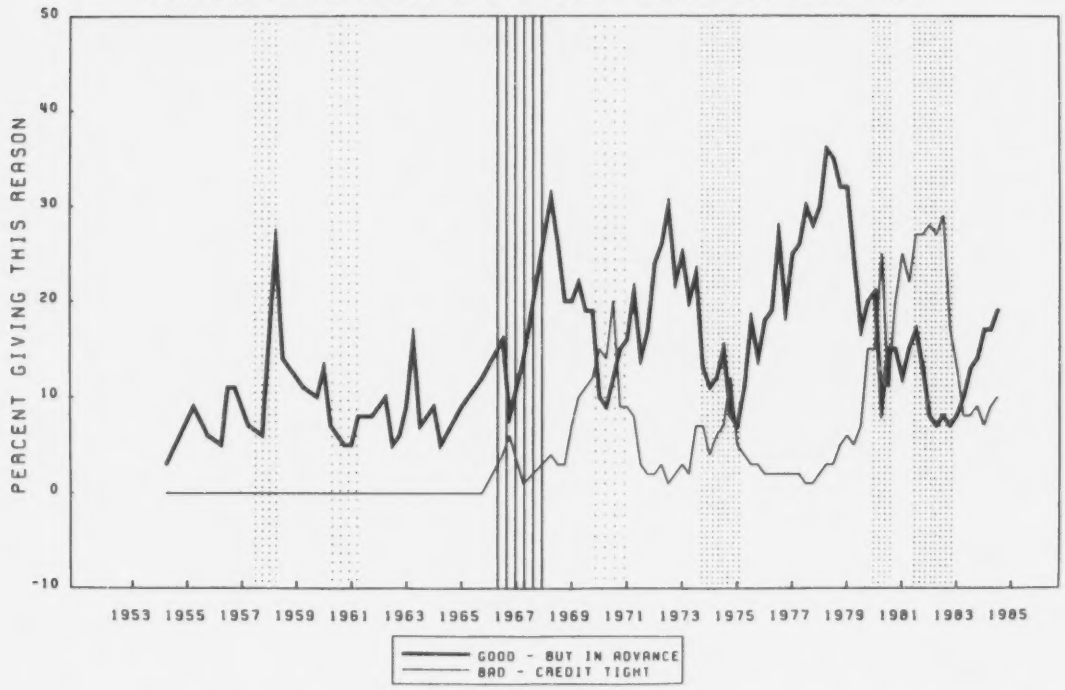



CHART 31B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

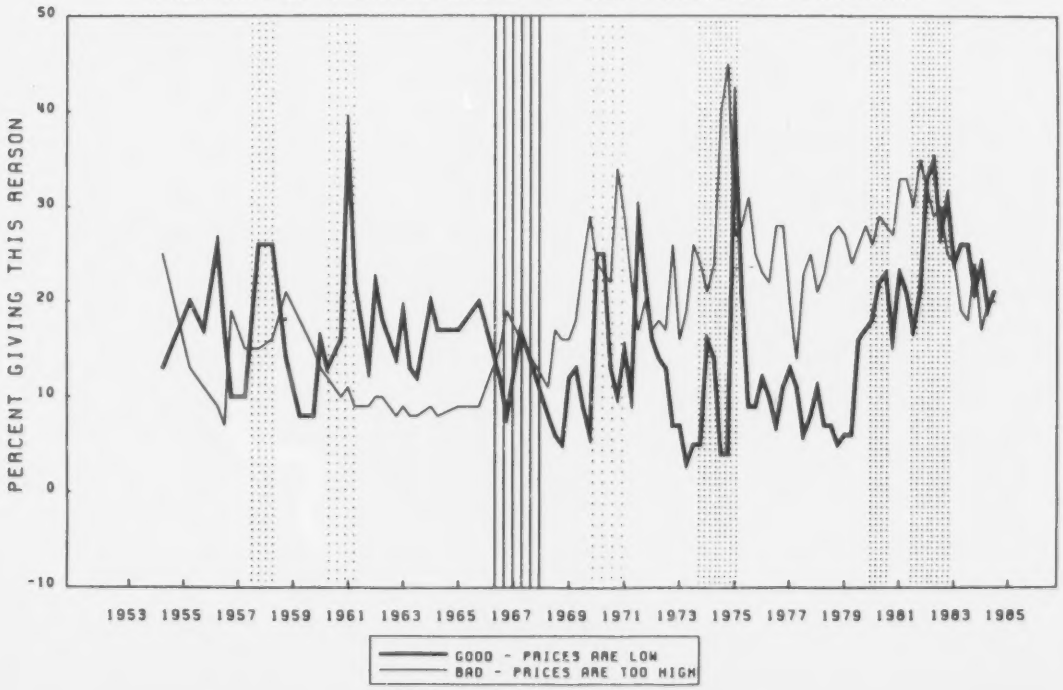


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 17% | 21% | 33% | 35% | 27% | 31% | 24% | 26% | 26% | 21% | 24% | 19% | 21% |
| Prices won't come down; are going higher | 17 | 13 | 8 | 7 | 8 | 7 | 8 | 10 | 13 | 14 | 17 | 17 | 19 |
| Interest rates low; credit is easy | 5 | 5 | 4 | 8 | 7 | 19 | 33 | 40 | 33 | 20 | 22 | 19 | 19 |
| New fuel efficient models | 4 | 1 | 2 | 1 | 1 | 1 | 2 | 1 | 2 | 2 | 1 | 2 | 1 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 30 | 35 | 32 | 29 | 30 | 25 | 24 | 19 | 18 | 24 | 17 | 20 | 20 |
| Interest rates are high; credit is tight | 27 | 27 | 28 | 27 | 29 | 17 | 13 | 8 | 8 | 9 | 7 | 9 | 10 |
| Lack of purchasing power | 6 | 9 | 14 | 12 | 13 | 14 | 11 | 7 | 7 | 6 | 4 | 4 | 5 |
| Price of gas; shortages | 3 | 2 | 2 | 1 | 1 | 1 | * | 1 | * | * | * | * | * |
| Poor selection; quality | 9 | 9 | 8 | 8 | 8 | 7 | 5 | 5 | 4 | 6 | 4 | 3 | 4 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 20% | 24% | 42% | 41% | 35% | 34% | 30% | 30% | 30% | 24% | 28% | 21% | 24% |
| Prices won't come down; are going higher | 18 | 14 | 10 | 6 | 9 | 6 | 8 | 11 | 15 | 16 | 19 | 20 | 22 |
| Interest rates low; credit is easy | 7 | 7 | 5 | 11 | 10 | 25 | 39 | 46 | 41 | 24 | 28 | 24 | 23 |
| New fuel efficient models | 5 | 2 | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 3 | 1 | 2 | 2 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 30 | 36 | 31 | 26 | 29 | 25 | 20 | 17 | 16 | 22 | 16 | 17 | 19 |
| Interest rates are high; credit is tight | 28 | 30 | 28 | 29 | 30 | 19 | 13 | 6 | 7 | 9 | 7 | 9 | 11 |
| Lack of purchasing power | 3 | 7 | 11 | 10 | 10 | 10 | 5 | 4 | 5 | 4 | 2 | 3 | 3 |
| Price of gas; shortages | 2 | 1 | 1 | 1 | 1 | * | * | * | * | * | * | * | * |
| Poor selection; quality | 12 | 11 | 7 | 8 | 8 | 7 | 6 | 4 | 4 | 5 | 3 | 3 | 3 |

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 32 - RECENT CHANGES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

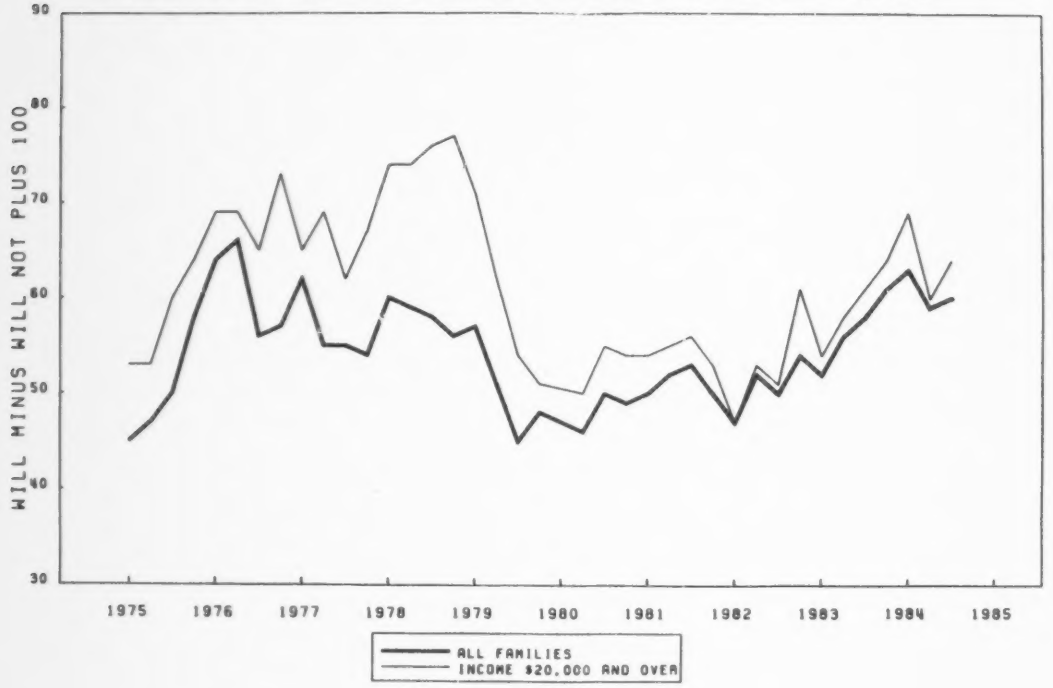



CHART 32 - HISTORICAL SERIES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

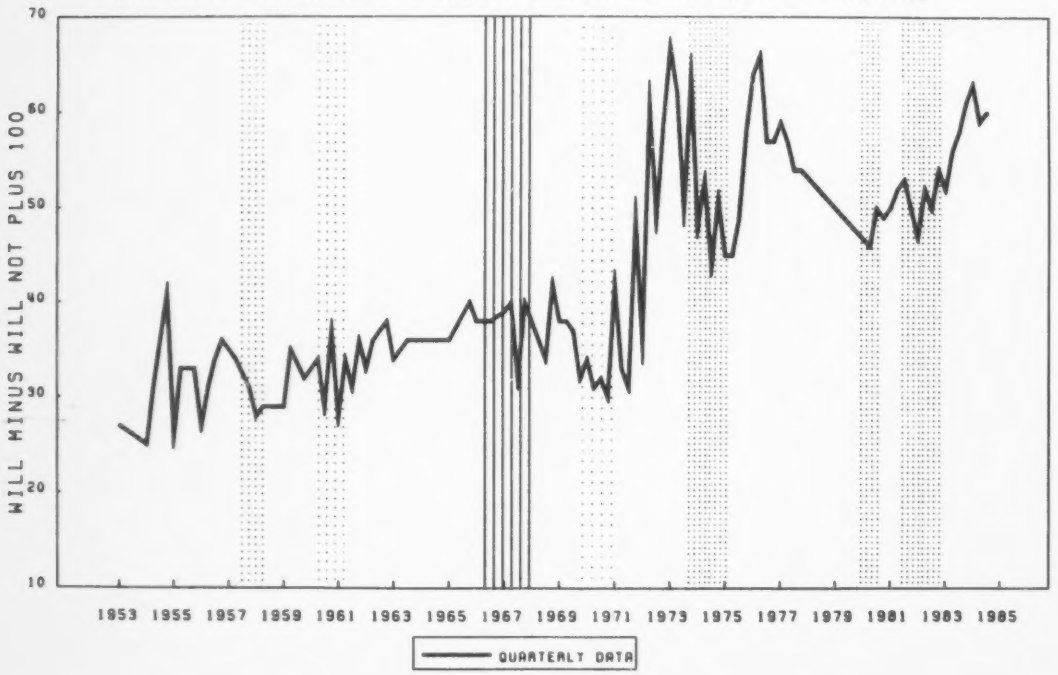


TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| PROBABLY WILL BUY | 17% | 17% | 16% | 18% | 16% | 19% | 17% | 19% | 20% | 21% | 22% | 20% | 21% |
| CHANCES ARE EVEN | 6 | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 7 | 9 | 9 | 9 | 8 |
| PROBABLY WILL NOT BUY | 63 | 66 | 68 | 66 | 67 | 65 | 65 | 62 | 62 | 60 | 59 | 61 | 61 |
| DK,NA | 14 | 10 | 9 | 9 | 10 | 8 | 10 | 11 | 11 | 10 | 10 | 10 | 10 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| PROBABLY WILL BUY | 23% | 22% | 19% | 22% | 21% | 25% | 22% | 23% | 25% | 26% | 29% | 24% | 26% |
| CHANCES ARE EVEN | 8 | 6 | 7 | 7 | 7 | 8 | 8 | 9 | 8 | 9 | 10 | 9 | 8 |
| PROBABLY WILL NOT BUY | 67 | 69 | 72 | 69 | 70 | 64 | 68 | 65 | 64 | 62 | 59 | 63 | 62 |
| DK,NA | 2 | 3 | 2 | 2 | 2 | 3 | 2 | 3 | 3 | 3 | 2 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 23% | 24% | 23% | 25% | 23% | 27% | 25% | 27% | 27% | 30% | 31% | 29% | 29% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Buy new | 10 | 11 | 10 | 11 | 11 | 12 | 12 | 13 | 13 | 17 | 15 | 15 | 14 |
| Buy used | 10 | 11 | 11 | 12 | 10 | 12 | 11 | 12 | 12 | 10 | 14 | 12 | 12 |
| Lease | 2 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 2 | 1 | 1 | 2 |
| DK,NA | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Next 3 months | 4 | 2 | 3 | 4 | 4 | 4 | 3 | 3 | 4 | 4 | 3 | 4 | 4 |
| Next 4-6 months | 6 | 6 | 6 | 6 | 5 | 6 | 6 | 8 | 6 | 6 | 9 | 8 | 6 |
| Next 7-9 months | 3 | 7 | 6 | 6 | 3 | 6 | 7 | 8 | 4 | 9 | 7 | 7 | 4 |
| 10 months or more | 5 | 5 | 5 | 4 | 5 | 6 | 5 | 3 | 7 | 7 | 6 | 5 | 8 |
| DK,NA | 5 | 4 | 3 | 5 | 6 | 5 | 4 | 5 | 6 | 4 | 6 | 5 | 7 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 31% | 28% | 26% | 29% | 28% | 33% | 30% | 32% | 33% | 35% | 39% | 33% | 34% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Buy new | 16 | 12 | 14 | 15 | 15 | 17 | 17 | 18 | 17 | 22 | 21 | 17 | 20 |
| Buy used | 12 | 13 | 10 | 11 | 11 | 13 | 11 | 12 | 13 | 10 | 15 | 13 | 11 |
| Lease | 2 | 1 | 1 | 2 | 1 | 2 | 1 | 1 | 2 | 2 | 2 | 2 | 2 |
| DK,NA | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Next 3 months | 5 | 4 | 3 | 3 | 5 | 4 | 3 | 4 | 5 | 5 | 5 | 5 | 5 |
| Next 4-6 months | 7 | 6 | 7 | 8 | 6 | 7 | 8 | 10 | 8 | 8 | 12 | 9 | 9 |
| Next 7-9 months | 6 | 8 | 7 | 8 | 5 | 8 | 7 | 8 | 4 | 10 | 10 | 9 | 5 |
| 10 months or more | 7 | 6 | 5 | 5 | 6 | 8 | 7 | 4 | 10 | 8 | 7 | 5 | 9 |
| DK,NA | 6 | 4 | 4 | 5 | 6 | 6 | 5 | 6 | 6 | 4 | 5 | 5 | 6 |

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

| | Jul-Sept 1981 | Oct-Dec. 1981 | Jan-Mar. 1982 | Apr-June 1982 | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 63% | 66% | 68% | 66% | 67% | 65% | 65% | 62% | 62% | 60% | 59% | 61% | 61% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 34 | 35 | 37 | 36 | 38 | 37 | 33 | 37 | 34 | 35 | 33 | 34 | 34 |
| Would buy used | 27 | 29 | 29 | 28 | 27 | 26 | 30 | 24 | 26 | 24 | 24 | 26 | 25 |
| DK,NA | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 2 | 1 | 2 | 1 | 2 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 5 | 6 | 7 | 5 | 5 | 6 | 7 | 7 | 8 | 6 | 7 | 7 | 6 |
| 2 years | 20 | 20 | 22 | 22 | 21 | 22 | 20 | 22 | 22 | 20 | 19 | 21 | 21 |
| 3 years | 10 | 9 | 11 | 12 | 12 | 10 | 10 | 11 | 9 | 10 | 9 | 9 | 10 |
| 4 years or more | 19 | 21 | 21 | 19 | 20 | 18 | 21 | 18 | 17 | 18 | 17 | 17 | 16 |
| Indefinite | 3 | 3 | 2 | 2 | 3 | 3 | 2 | 1 | 2 | 1 | 3 | 2 | 3 |
| DK,NA | 6 | 7 | 5 | 6 | 6 | 6 | 5 | 3 | 4 | 5 | 4 | 5 | 5 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 67% | 69% | 72% | 69% | 70% | 64% | 68% | 65% | 64% | 62% | 59% | 63% | 62% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 43 | 42 | 46 | 42 | 48 | 40 | 41 | 42 | 41 | 42 | 38 | 42 | 38 |
| Would buy used | 24 | 25 | 25 | 25 | 21 | 22 | 26 | 22 | 22 | 19 | 19 | 20 | 22 |
| DK,NA | * | 2 | 1 | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 2 | 1 | 2 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 7 | 7 | 10 | 7 | 5 | 7 | 8 | 8 | 9 | 6 | 8 | 7 | 7 |
| 2 years | 23 | 23 | 25 | 26 | 25 | 24 | 25 | 24 | 26 | 23 | 21 | 24 | 24 |
| 3 years | 14 | 10 | 13 | 14 | 15 | 11 | 11 | 12 | 10 | 12 | 11 | 10 | 11 |
| 4 years or more | 19 | 22 | 21 | 17 | 19 | 17 | 21 | 18 | 16 | 17 | 16 | 18 | 17 |
| Indefinite | 2 | 2 | 1 | 1 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| DK,NA | 2 | 5 | 2 | 4 | 4 | 3 | 2 | 2 | 2 | 3 | 2 | 3 | 2 |

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

# EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

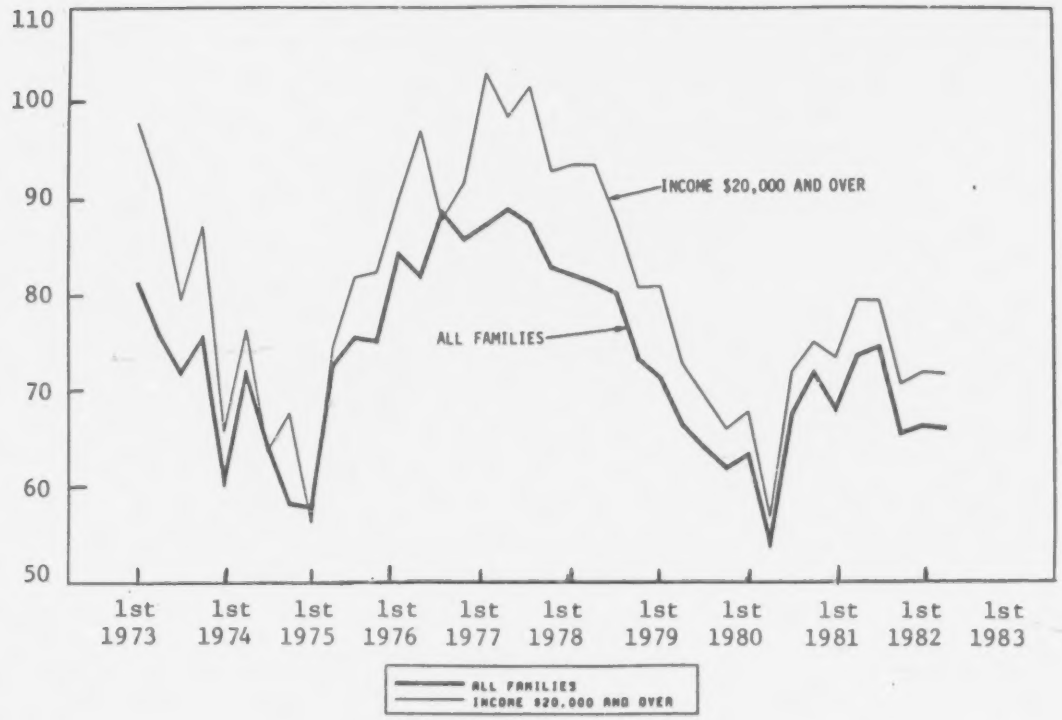
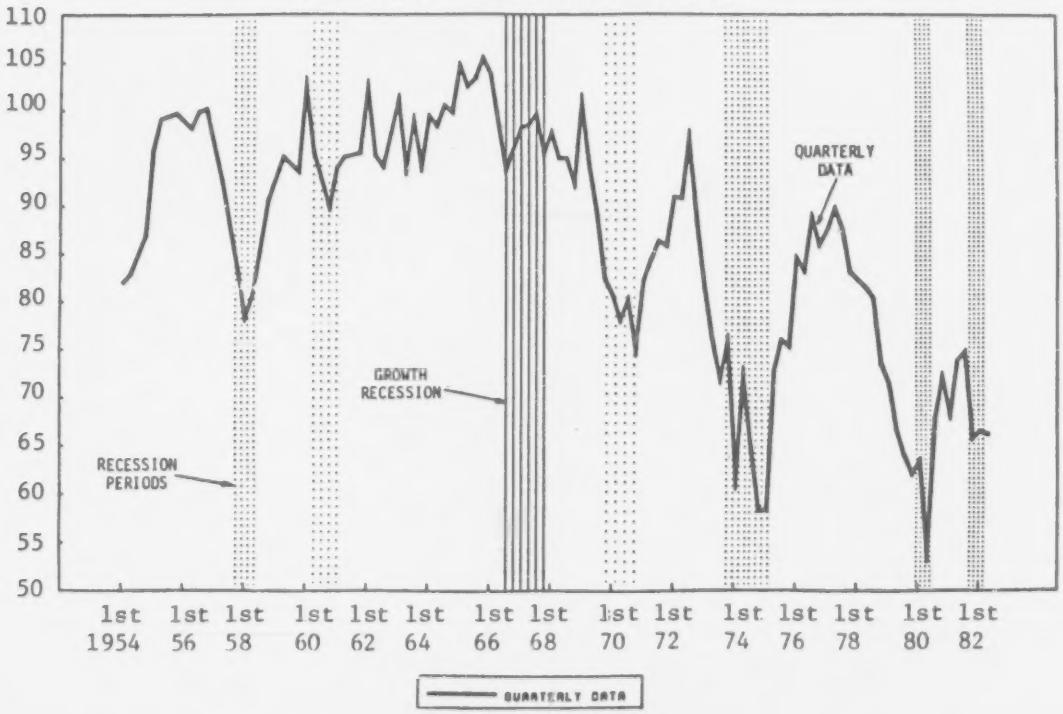



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

| Reported Percentages | Number of Interviews | | |
|---|---|---|---|
| | 700[b] | 1,400[c] | 2,100[d] |
| 50 | 4.2 | 3.2 | 2.8 |
| 30 or 70 | 3.8 | 2.9 | 2.5 |
| 20 or 80 | 3.4 | 2.6 | 2.2 |
| 10 or 90 | 2.5 | 1.9 | 1.6 |
| 5 or 95 | 1.8 | 1.4 | 1.2 |

[a]The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b]Average size of monthly surveys.

[c]Average size of two monthly surveys.

[d]Average size of three monthly surveys (one quarter).

## DESCRIPTION OF CHART LINES

ALL FAMILIES: Quarterly data for the total sample.

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978, and collected in three monthly surveys per quarter from 1978 to the present.

## TIME SCALE LABELS

Each tic mark on the time scale represents the first quarter of the indicated year.

## NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

| DATES: | | | | |
|---|---|---|---|---|
| November | 1948 | - | October | 1949 |
| July | 1953 | - | May | 1954 |
| August | 1957 | - | April | 1958 |
| April | 1960 | - | February | 1961 |
| June | 1966 | - | November | 1967* |
| December | 1969 | - | November | 1970 |
| November | 1973 | - | March | 1975 |
| January | 1980 | - | July | 1980 |
| July | 1981 | - | November | 1982 |

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

10/30/84 07475-1 A

# Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

Third Quarter Surveys
July-September 1984

October 26, 1984

## FINANCIAL GAINS BOLSTER CONFIDENCE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| Buying Attitudes Remain Favorable | 4 |
| Prospects for the Economy: Good Times Despite Slower Growth | 5 |
| Presidential Prospects and Consumer Sentiment | 7 |
| Summary Outlook | 8 |


ATTACHMENTS:

July-September 1984 TABLES AND CHARTS
Economic Outlook USA, Summer 1984

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106-1248 • (313) 763-5224

## Highlights

** In the third quarter 1984 survey, the Index of Consumer Sentiment was 98.9, between the 96.6 recorded one quarter earlier and the cyclical peak of 99.5 recorded in the first quarter. Consumer sentiment has been more favorable thus far in 1984 than in any prior year during the past decade.

** Among families with incomes of $25,000 or more, the Index stood at 107.9 in the third quarter 1984 survey, up from 105.7 one quarter earlier, and below the cyclical peak of 113.2 recorded in the first quarter.

** The financial progress made by American families during the past year has been the most favorable recorded during the past decade. For the third consecutive quarter, 45 percent of all families reported that their financial situation had improved.

** Attitudes toward buying conditions for large household durables stayed near record favorable levels mainly due to continued favorable perceptions of market prices. Attitudes toward buying conditions for vehicles declined by a small amount from the peak levels recorded earlier in the year, but nonetheless remained at very favorable levels. Attitudes toward buying conditions for houses declined by a larger amount during the last year, but still remained on balance favorable. The larger declines in house buying attitudes was due to more frequent complaints about rising interest rates.

** Two-thirds of all American families thought that business conditions had improved during the past year, but less than half of that proportion expected the same pace of improvement during the year ahead. Despite the expected slowdown in the rate of economic growth, good times financially in the economy as a whole were expected to persist during the year ahead as well as during the next five years.

** A slower pace of economic growth during the year ahead was expected to be accompanied by rates of inflation and unemployment that average about the same as now, but with higher interest rates. Among all families in the third quarter 1984 survey, 55 percent expected interest rate increases, down from 66 percent in the second quarter of 1984.

** Confidence in government economic policies to reduce inflation and unemployment reached its most favorable level under the Reagan administration in the third quarter 1984 survey. Among all families, 33 percent favorably rated government economic policies, compared with 19 percent that gave policies an unfavorable rating. More than three-quarters of all respondents expected Reagan to be reelected, yet the majority also expected personal income tax rates to increase.

Personal Finances: Best in Decade

The financial situation of American families has substantially improved during the past several years. By the start of 1984, the highest proportion of families in more than a decade reported that their financial situation had improved, and since then that proportion has remained at very favorable levels. In the third quarter 1984 survey, 45 percent of all families cited recent improvement in their financial situation, nearly twice the 23 percent that reported financial reversals. These very favorable evaluations stand in sharp contrast to four years earlier, when the all-time low was recorded in the second quarter of 1980. Instead of the current favorable margin of nearly two-to-one, nearly twice as many families reported financial reversals rather than improvements at that time (25 versus 48 percent).

The substantial improvement during the past four years has been due to steady declines in inflation, and more recently, increases in household income and employment. The proportion of families that referred to inflationary declines in the purchasing power of their income fell steadily from its all-time peak of 46 percent at the end of 1979 to just 12 percent in the third quarter of 1984, the lowest level recorded in a decade. In contrast to the sustained four year decline in inflation, trends in family incomes at first briefly improved, then declined sharply from renewed recession and record setting unemployment. Reports of actual income declines rose sharply in 1982, reaching a 20-year peak of 24 percent by the start of 1983. By the third quarter of 1984, the proportion of families that reported income declines fell to just 13 percent. During that same time, reports of income increases rose from 27 to 36 percent.

The recent improvement was widely expected in advance by consumers, as recorded in the surveys conducted one year earlier. It was in the second quarter of 1983 that personal financial expectations reached their most favorable cyclical level, when 40 percent of all families expected an improved financial situation during the upcoming year. Since that time, personal financial expectations have remained largely unchanged at that favorable level. In the third quarter 1984 survey, 37 percent expected to be better off financially, compared with just 9 percent that expected their financial situation to worsen during the year ahead. The most unfavorable outlook for personal finances ever recorded in these surveys occurred in the second quarter of 1979, when more families expected their financial situation to worsen rather than to improve (29 versus 21 percent). Since that time, personal financial prospects have improved steadily through two recessions with only small reversals in overall trend.

The sustained improvement in the outlook for personal finances has been primarily due to expected declines in inflation, not to larger expected income increases. The same proportion of families in the most recent survey as four years earlier expected to receive income increases during the following year--64 percent. Although the number of families expecting increases has remained unchanged, the size of the expected increases has not. At the 1980 lowpoint, income increases of 6% or more were expected by 44 percent, which subsequently fell to 34 percent in the most recent survey. At the same time, the proportion of families that expected smaller income increases--under 6%--rose from 14 to 25 percent. Despite the decline in the size of the expected increase, the expected declines in inflation were even sharper. For example, although 44 percent of all families expected income increases of 6% or more in 1980, at that same time, 48 percent of all families

also expected an annual inflation rate of 6% or higher. In contrast, in the third quarter of 1984, when 34 percent expected income increases of 6% or more, just 20 percent of all families expected prices to increase by that much. At the present time, two-thirds of all American families expect their income to keep pace with or exceed the rate of inflation during the year ahead.

Buying Attitudes Remain Favorable

Attitudes toward buying conditions for large household durables have remained largely unchanged at very favorable levels since the start of 1984. Among all families in the third quarter 1984 survey, 71 percent favorably rated buying conditions for durables, just below the all-time peak of 72 percent recorded in the second quarter. The primary reason for these very positive attitudes has been favorable perceptions of market prices for household durables. In the third quarter 1984 survey, 34 percent of all families mentioned the appeal of price discounts, compared with just 10 percent that mentioned their aversion to high prices.

Attitudes toward buying conditions for vehicles have remained near cyclical peak levels since the second quarter of 1983. Favorable car buying attitudes were held by 60 percent of all families in the third quarter of 1984, just below the 64 percent recorded six months and one year earlier. These small declines during the past year have been due to less frequent references to price discounts and rebates, cited by 21 percent of all families in the third quarter 1984 surveys, down from 26 percent one year earlier. In addition, fewer consumers referred to the availability of reduced interest rates on vehicle loans in the third quarter 1984 survey (19 percent) than one year earlier (33 percent).

Favorable attitudes toward buying conditions for homes reached cyclical peak levels in the second quarter of 1983, and have since declined, but on balance still remain favorable. Among all families in the third quarter 1984 survey, 50 percent favorably rated buying conditions for houses, down from 59 percent one quarter earlier, and the peak of 64 percent recorded in the second quarter of 1983. The major reason for the recent decline in favorable home buying attitudes has been interest rate increases. Among all families, 22 percent referred to the availability of lower mortgage interest rates in the third quarter 1984 survey, down from 36 percent one year earlier (see Table A). References to buying-in-advance of rising mortgage rates fell to 13 percent in the third quarter, down from a peak of 20 percent recorded one quarter earlier. At the same time, references to high interest rates rose to 38 percent in the third quarter from 27 percent in the second quarter.

## Prospects for the Economy: Good Times Despite Slower Growth

More families were aware of improved economic conditions during the past year than following any of the six prior recessions. In each of the quarterly surveys conducted since mid-1983 approximately two-thirds of all families reported that economic conditions in the nation as a whole had improved over those that prevailed one year earlier. In the third quarter 1984 survey, 67 percent reported improved economic conditions, just below the all-time high of 71 percent recorded in the first quarter of 1984.

The rapid improvement in business conditions recorded during the first half of 1984, as well as the recent slowdown in economic growth, were not unexpected. Prospects for improvement in the aggregate economy reached their most favorable level early in 1983. At that time, half of all consumers expected the national economy to improve during the year ahead. Since then

the proportion of families that have expected continued improvement has fallen to 33 percent in the third quarter 1984 survey. Importantly, few consumers expected the economy to actually worsen during the year ahead, rising to 14 percent in the third quarter of 1984 from 9 percent one year earlier.

Despite a slowing rate of economic growth, good times financially in the economy as a whole were expected to prevail in both the near and longer terms. In the third quarter 1984 survey, 63 percent of all families expected good times financially in the economy as a whole during the upcoming year, just below the peak of 69 percent recorded in the first quarter of 1984. The most recent survey marks the sixth consecutive quarter in which more than 60 percent expected good times financially during the year ahead. When asked about economic prospects over the next five years, 46 percent of all families expected good times financially, up from 38 percent one year earlier, and the highest level to be recorded in more than a decade.

The expected continuation of economic growth, even if at a slower pace, was reflected by expected trends in prices, unemployment, and interest rates.

Price expectations have declined considerably during the past several years, from a high of 11.9% at the start of 1980 to a low of 4.3% at the start of 1983. Since then, price expectations have remained largely unchanged at those low levels. In the third quarter of 1984, consumers expected the annual inflation rate to average 4.4%. This four year change has been quite dramatic: in 1980, nearly three-quarters of all families expected inflation to average 5% or more; in contrast, by 1984, nearly three-quarters of all families expected inflation to average 5% or less.

Unemployment expectations reached their most favorable cyclical level in the second quarter of 1983, and since then have declined by a modest

amount. Among all families in the third quarter 1984 survey, 25 percent expected unemployment to decline during the year ahead, down from the favorable peak of 40 percent recorded in the second quarter of 1983. The proportion of families that expected increases in the rate of unemployment rose to 21 percent in the third quarter 1984 survey, up from a low of 15 percent in the second quarter of 1983. Importantly, rather than renewed increases, the majority now expect the unemployment rate to remain largely unchanged during the year ahead at its current level (52 percent).

Interest rate expectations reached their most favorable level earlier than inflation and unemployment expectations, in late 1982, and have since then declined to a significant extent. In the third quarter 1984 survey, 55 percent of all families expected interest rate increases during the year ahead, compared with just 13 percent that expected interest rate declines. This represents a small improvement over the bleak assessments recorded in the second quarter, when 66 percent expected increases. Among families with incomes of $20,000 and over, the proportion that expected higher interest rates fell from 70 to 56 percent since mid-1984.

Confidence in government economic policies to reduce inflation and unemployment reached its most favorable level during the last decade. Among all families in the third quarter 1984 survey, 33 percent favorably rated government economic policies, up from 27 percent one year earlier, and 18 percent two years earlier. Unfavorable evaluations of economic policies were given by 19 percent of all families in the third quarter of 1984, down from 22 percent one year earlier, and 33 percent two years earlier.

## Presidential Prospects and Consumer Sentiment

In order to assess the relationship of the expected election results on prospects for the economy, respondents in the September 1984 survey were

asked which candidate they thought would win the presidential election--not for whom they intended to vote. Three-quarters of all respondents in the September 1984 survey expected President Reagan to be reelected. Just 15 percent of all respondents expected a Mondale victory in November (see Table B). When asked about their assessment of which candidate if elected would have a more favorable impact on general economic conditions, Reagan was identified by 58 percent of all respondents, compared with 30 percent that selected Mondale (Table B).

In the September 1984 survey, 55 percent of all families expected personal income tax rates to increase during the year ahead. Just 5 percent of all families expected declines in personal income tax rates (Table C). As might be expected , respondents that expected a Mondale victory were more likely to expect increases in tax rates. More interestingly, however, the majority of those that expected a Reagan victory also expected tax rate increases during the year ahead. Consequently, the current high level of consumer optimism is not based on the expectation of no increase in personal income tax rates.

As shown in Table D, respondents that expected Reagan's reelection also held much more favorable expectations for their own financial future, as well as for the economy as a whole. Similarly, respondents that expected no increase in personal income tax rates were also optimistic about their own and national economic prospects. When expectations about the presidential election and taxes were combined, respondents that expected both Reagan's reelection and no tax increases were the most optimistic. Nonetheless, respondents that expected a Reagan victory and tax increases--the most widely held expectation--still had relatively optimistic views.

Summary Outlook

The speed, extent, and length of the current recovery in consumer attitudes and expectations has been distinctive. By the start of 1983, the dominant characteristic was the very rapid growth in favorable attitudes and expectations. By the start of 1984, the focus shifted to the extent of the recovery, as optimism reached record levels. As we near the end of 1984, the prolonged length of time that sentiment has remained at very favorable levels has become its most distinctive aspect. In large part, the speed, extent, and length of the recovery have been due to substantial and sustained declines in inflation.

The maintenance of consumer sentiment at very favorable levels points toward continued high sales levels through 1984 and into 1985. Unlike the period of growth in consumer sales in the mid-1970s, when low real interest rates tilted spending in favor of credit purchases, the current high real rates will favor non-credit purchases. Although the optimistic views now prevalent do incorporate the expectation of a Reagan reelection, they are not based on the expectation of no increase in personal taxes.

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The third quarter 1984 survey was conducted between July 1 and September 30, 1984, and included 2,039 completed interviews.